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Key Developments

Yeltsin Wants Democratic Majority in Next Duma

LD1110182695 Moscow ITAR-TASS in English 1737 GMT 11 Oct 95

[By Konstantin Kolesov and Andrey Storkh]

[FBIS Transcribed Text] MOSCOW, Oct 11 (ITAR-TASS) — "The President is clearly in control of the pre-election situation and he is well informed about campaigning in the country. He has unequivocally determined that the democratic forces should have a majority in the State Duma," chairman of the Prime Minister's election alliance "Our Home is Russia" Sergey Belyayev [position as received] said after today's meeting with President Boris Yeltsin.

Asked whether the President continued to believe that the movement would gain between eight and twelve percent of all votes in the elections for the State Duma, Belyayev said that since "the President is a guarantor of concord in society, he cannot give open preference to one or another movement," but he nonetheless set a clear task to us — "to form a democratic majority."

Belyayev said society was in a vague state containing radicals, left-wingers and centrist and right-of-centre democrats. Belyayev said that the democratic wing, including supporters of the movement "Our Home is Russia," embraces "a broad centre" oriented towards implementing reforms which the President began and the Government has continued.

Asked whether the President expressed his own political sympathies during his meeting with the leaders of the movement "Our Home is Russia" on Wednesday, Belyayev said "it is easier to list all those whom the President does not accept. Undoubtedly, they include the communist party (and we regard all attacks on the President by the CPRF [Communist Party of the Russian Federation] as a negative phenomenon for our society), the Agrarian party that echoes the communists, and all the fragments of the Communist party of the Soviet Union and other former communist organisations which now represent the left wing of the political spectrum. They are not our friends, they are our most serious adversaries in the elections. And Boris Nikolayevich has never supported the Liberal Democratic party of Russia. As regards the Congress of Russian communities, we did not touch on it in the course of our meeting."

Grachev Issues Statement on Not Running for Duma

LD1210180495 Moscow ITAR-TASS World Service in Russian 1645 GMT 12 Oct 95

[FBIS Translated Text] Moscow, 12 Oct (ITAR-TASS) — Russian Defense Minister Pavel Grachev made the following statement today:

"In connection with reports appearing in the media on my intention to stand for election in a number of constituencies, I believe it necessary to provide the following clarifications. I have indeed received numerous appeals from the working and military collectives and public organizations urging me to agree to be nominated as a Duma candidate. However, I never intended to stand and am not planning to do so.

"I should like to express my gratitude to all those who proposed my nomination. I view this, first of all, as an expression of trust and respect toward the army and the navy and the recognition of the prestige of the armed forces, which are fulfilling the difficult task of protecting the national interests of the state."

ITAR-TASS received the text of Pavel Grachev's statement from the public relations officer of Russian defense minister.

Lebed Denies Split in KRO, Urges Strong Army

MM1210085795 Moscow TRUD in Russian 11 Oct 95 pp 1, 4

[Interview with Lieutenant General Aleksandr Lebed, one of the leaders of the "Congress of Russian Communities," KRO, electoral association and former 14th Army commander, by Sergey Pavlov; place and date not given: "Aleksandr Lebed: You Can't Have a Strong Russia Without a Strong Army" — first paragraph is TRUD introduction]

[FBIS Translated Text] Aleksandr Lebed, as commander of the 14th Army in the Dniester Region, always had the reputation of being the general in the Russian Army who was most accessible to the press. After leaving his post as commander of the 14th Army and becoming one of the leaders of the "Congress of Russian Communities" [KRO] electoral association, General Lebed continued his active contacts with the press. However, recently he has changed his habits, and getting an interview with him has become a big problem. At the same time rumors are proliferating to the effect that there are difficulties in the relationship between Lebed and the other KRO leader, Yuriy Skokov, and that the Kremlin intends to launch some kind of military movement in support of army reform, for which Lebed himself is tipped as leader. And according to some reports this movement will not necessarily be part of the KRO. Our correspondent managed to get an interview with Lieutenant General Aleksandr Lebed.

[Pavlov] Aleksandr Ivanovich, what, in your view, is the present state of the Russian Army?

[Lebed] The Soviet Army was a strong army, for all its many shortcomings. That must be admitted. It was an education. But from 1988 onward, the principle of combined [military and political] command disappeared in the Soviet Army, and later this phenomenon was carried over smoothly into the Russian Army. The Army was used to plug political holes and cover up blunders, and in the process it was constantly blamed. The withdrawal of the Army, without any kind of plan, from the territory of Hungary, Czechoslovakia, and Poland was a disaster. Officers were shoved into henhouses, barns, and barracks. People lost all hope. Units with their own history that had raised generations of servicemen were disbanded first of all. This was no accident, it was, if you like, a malicious system. But I have to say you can't have a strong Russia without a strong Army and Navy.

[Pavlov] Do you reject the idea of democratization of the Army?

[Lebed] I can't imagine a democratized army. If one person has the right to send another into battle, what kind of democracy can you have there? Nobody wants to die, after all. We can and must take care of servicemen's social protection and give them a decent life. But a democratic army isn't an army, it's something else. We need a civilized army in which servicemen's interests are protected. Also, under present laws you can't draft students, you can't draft elite children, not elite children, but the children of elite parents. What we have now is not a law on universal military service, but a law on universal military exemption. The Army has become a "worker-peasant" army, and that has led to a decline in its intellectual level. But a strong army has great intellectual potential.

[Pavlov] Let's imagine you became defense minister. What would you do first?

[Lebed] Whatever I say, it's going to be seen on the basis of the principle: "Everyone pictures himself as a strategist when he's watching the battle from the sidelines." If I became that strategist, I would do what needs to be done for the country. There is and has been no reform in the Army. There has been nothing but flimflam. Four years ago it was possible to talk about a gradual reform of the Army, but now we must talk about building it rather than reforming it. The Army has largely been smashed up by Grachev's own efforts. The job has gotten more difficult. But we still have an army, even if it is half-ruined. It can't be restored in a short time, but the most important things could be done in 1-1.5 years. You could eliminate all those mongrel reduced-strength units with 30 officers and two men. Let's have 10 times fewer divisions, but combine them to form expanded formations. They should each have 15,000 men, a modern training system, a dual or triple arms basing system, and a well-oiled redeployment system. And combat training!

A strong army is not one that fights, but one that by the very fact of its existence destroys ideas of aggression. Let's have troops whose existence means that nobody will want to tangle with us. And this should be under the protection of the nuclear shield. That is the only counterweight, given the existence of nuclear weapons in the United States, Britain, France, and China. It must also be taken into account that while there are common problems, there are also the problems of each specific garrison. It is a huge country, so an army reform program cannot be the fruit of just one man's work, however smart he may be. This job must be done by collective brain power. There are enormous numbers of intelligent officers who were prematurely discharged. They have plenty of ideas, they are ready to serve for free, but they can't put their ideas into practice. They need a focus. That's why I intend in the near future to set up a public military movement, it's realistic.

On the question of military organizational development we should take into account both the tactical and the strategic level — what we can achieve over a period of 20-30 years. Here we should proceed on the basis of Russia's national interests. We have a state with "displaced borders," as we are reminded by, for instance, Kaliningrad, the Dniester Region, Tajikistan.... And the state must declare, through the mouths of its political leaders, that this line is the line of state interests. But as soon as you have interests, you also get threats to those interests. The system of counteraction is realized through the creation of the corresponding groupings, airfields, etc. That is the starting point. But today we have a country without interests, without enemies, without friends, without traditions. And a strong army is a repository of tradition.

[Pavlov] What threats do you see to Russia's security?

[Lebed] Russia must be defended! Let's start with the East. China. A territory about one-third the size of ours, yet the population today is 1.2 billion. The prediction for the year 2010 is 1.6 billion. One day they'll simply no longer fit into their own territory. Shouldn't we bear in mind this prospect and the possibility of a potential danger to our interests arising? There is the

Islamic world, which we have not always been on good terms with recently. Our actions in Afghanistan and Chechnya affected this. Incidentally, Chechnya was a pretext for the stepping up of the third military threat factor — NATO expansion. Russia today is incapable of confronting not only all three threats at once, but even any one of them individually. Our economy is in ruins, our Army is half in ruins, and the main thing is that people see no glimmer of light. The world balance is important. Any system tends toward equilibrium. And there is nothing stopping us becoming strong again. Not through heightened aggressiveness. It's true, ours is a self-sufficient country, we have everything. We don't need to borrow from anyone. We have our own autonomous economic system. And we have enough of a population, enough bright people, to live by our wits.

[Pavlov] How should Moscow's relations with the Federation components be structured?

[Lebed] The processes that wrecked the USSR have now been carried over to Russia's territory. Once there were the union republics, now they have become independent states. And there are 23 national territorial formations in Russia's territory now. If they are separated off, the result will be a blanket full of holes.

[Pavlov] What do you see as the way to solve the Chechen problem?

[Lebed] I have the impression that in Chechnya a frankly criminal, mafia regime was being lovingly nurtured, and until a certain point that regime paid up. When it realized that it was strong enough, that it had grown up and could tell its elder brother to get lost, it stopped paying up. It had to be punished. But how could you punish it? Only by using the Army, the police isn't going to be any use. So they sent in the Army. Whereas they should have adopted political and economic measures of influence, closed the airspace, surrounded the borders, cut off the flow of oil.

[Pavlov] So you suggest imposing an economic blockade?

[Lebed] Why put it so crudely? Just give people the opportunity to feel the burden of independence.

[Pavlov] Would you grant them political independence?

[Lebed] No.

[Pavlov] Why are you in the KRO specifically?

[Lebed] I can sense the growing strength of this movement. This organization grew up on the basis of the Russian communities of the near abroad and was supposed to coordinate their actions and give them direct moral and spiritual support. Now it is a broader association. There are democrats, socialists, and communists within it. Personally, I don't care who you are, what you consider yourself to be. If you want to come with us, come. You might be an atheist or a believer. Let's get on with the job. You must recognize the mighty force that goes by the name of "my Russian people." Russians in Russia are 85 percent of the population, so why can't we live by our own ideas in our own country and why can't we start building our lives according to our own plan? At the same time, naturally, we must build civilized relations with all the peoples of Russia. We have been living together for 1,000 years, and we have to go on living together, and so one day, after all, we will arrive at the concept "citizen of Russia" ["rossiyanin"]. Take the Americans. An American can be of Chinese, Japanese, or Russian extraction, but he's still an American.

[Pavlov] Many people are now talking about political differences within the KRO, in particular your differences with Skokov.

[Lebed] They've been talking, and they'll go on talking. This is one of the attempts to bring about a split in the movement. There are no differences of principle between us. We have known each other a long time, for more than four years we've known each other well. I have my own personal criteria. There are three of them: my relations with people after August 1991, the summer of 1992, and the summer of 1995. Those were my three moments. And, judged on these three criteria, Yuriy Vladimirovich [Skokov] is beyond reproach. When you are close to power, when you're strong, you always have a lot of friends. But when things are going badly for you, only your true friends remain. On these three criteria Skokov suits me absolutely fine.

National Republican Party Fails To Gain Allies

LD0910154495 Moscow INTERFAX in English 1436 GMT 9 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 9 (INTERFAX) — The National-Republican Party of Russia, headed by Duma deputy Nikolay Lysenko, has failed to gain allies in the election campaign. It will participate in the elections on its own, political secretary of the party Nikolay Pavlov told an exclusive INTERFAX interview Monday.

In his opinion, the progress of signature collection (100,000 signatures have been collected) inspires hopes the Party will have no less than 5% of votes in the elections of December 17, 1995.

Pavlov said he does not take into account the 30,000 signatures taken away in an armed attack at the party headquarters in St. Petersburg on September 28.

Speaking of the party's possible allies, the political secretary said "the recent consultations revealed that the party will not act together with the Russian all-People's Union of Sergey Baburin or the election bloc of Power to the People of Nikolay Ryzhkov "because they are far from the genuine Russian national movement."

Regional branches of the party, which has about 12,000 members, have been formed in 36 Russian areas. Ex-deputy of the parliament of the Russian Soviet Federative Socialist Republic Nikolay Pavlov, who was a leader of the National Salvation Front and the opposition till October 1993, runs on the top of the party's list of candidates to the Duma together with Lysenko.

List of Liberal Democratic Party Candidates for Duma Deputy

954E1511A Moscow ROSSIYSKAYA GAZETA in Russian 28 Sep 95 pp 3-4

[List of Liberal Democratic Party Election Association candidates for deputy on federal ticket, signed by Congress Chairman A.D. Vengerovskiy and Congress Secretary I.A. Karpukhin, copy notarized by RF Central Electoral Commission Decree 12/94-II of 5 September 1995]

[FBIS Translated Text] 1. **Zhirinovskiy, Vladimir Volfovich,** b. 25 April 1946, leader of LDPR faction in State Duma of RF Federal Assembly, res. Moscow.

2. **Abeltsev, Sergey Nikolayevich,** b. 6 May 1961, State Duma deputy of RF Federal Assembly, res. Moscow.

3. **Vengerovskiy, Aleksandr Dmitriyevich,** b. 1 April 1953, deputy chairman of State Duma of RF Federal Assembly, res. Moscow.

4. **Zhebrovskiy, Stanislav Mikhaylovich,** b. 24 February 1942, State Duma deputy of RF Federal Assembly, res. Moscow.

5. **Mitrofanov, Aleksey Valentinovich,** b. 16 March 1962, State Duma deputy of RF Federal Assembly, res. Moscow.

6. **Gutseriyev, Mikhail Safarbekovich,** b. 9 March 1958, general director of "BIN" industrial-financial company, res. Moscow.

7. **Monastyrskiy, Mikhail Lvovich,** b. 10 November 1945, director of St. Petersburg Northwestern Industrial Company, res. St. Petersburg.

8. **Musatov, Mikhail Ivanovich,** b. 23 August 1950, retired from RF Ministry of Defense, res. Moscow.

9. **Gusev, Vladimir Kuzmich,** b. 19 April 1932, State Duma deputy of RF Federal Assembly, res. Moscow.

10. **Narycheva, Natalya Borisovna,** b. 19 September 1944, president of "Promtek" firm, res. Bolshevo, Moscow Oblast.

11. **Finko, Oleg Aleksandrovich,** b. 23 May 1941, State Duma deputy of RF Federal Assembly, res. Moscow.

12. **Kalashnikov, Sergey Vyacheslavovich,** b. 3 July 1951, State Duma deputy of RF Federal Assembly, res. Moscow.

Adyge Republic (Adygea)

1. **Slobodenyuk, Sergey Vasilyevich,** b. 6 July 1962, coordinator of Adyge Republic LDPR organization, res. Maykop.

Altay Republic

1. **Tyunin, Nikolay Aleksandrovich,** b. 12 October 1957, deputy secretary of kray LDPR committee, res. Bashtap, Ust-Koksinskiy Rayon, Altay Republic.

Bashkortostan Republic

1. **Astafyev, Nikolay Pavlovich,** b. 26 December 1940, State Duma deputy of RF Federal Assembly, res. Lyubertsy, Moscow Oblast.

2. **Tuinov, Yevgeniy Vyacheslavovich,** b. 26 January 1954, State Duma deputy of RF Federal Assembly, res. St. Petersburg.

3. **Petrov, Vyacheslav Vasilyevich,** b. 26 September 1946, aide to State Duma deputy of RF Federal Assembly, res. Ufa.

4. **Nemtsov, Sergey Yevgenyevich,** b. 28 April 1952, aide to State Duma deputy of RF Federal Assembly, res. Moscow.

5. **Iskhakov, Askhat Gammarovich,** b. 16 April 1966, coordinator of Ufa public association "Zhirinovskiy's Falcons," res. Ufa.

Republic of Buryatia

1. **Lazebnikov, Yuriy Zakharovich,** b. 18 July 1945, aide to State Duma deputy of RF Federal Assembly, res. Ulan-Ude.

2. **Medvedev, Georgiy Aleksandrovich,** b. 24 September 1940, chief engineer of Water Management Committee of Republic of Buryatia, res. Ulan-Ude.

Dagestan Republic

1. **Zhirinovskiy, Pavel Andreyevich,** b. 15 June 1970, aide to State Duma deputy of RF Federal Assembly, res. Moscow.

2. Nasrullayev, Asadulla Gamzayevich, b. 20 January 1959, deputy chairman of Usisha Village Kolkhoz, res. Usisha, Akushinskiy Rayon, Dagestan.

Ingush Republic

1. Stolyarova, Albina Sergeyevna, b. 10 January 1940, State Duma specialist-expert of RF Federal Assembly, res. Moscow.

2. Bogatyrev, Magomet Debirovich, b. 21 March 1956, head of Ordzhonikidze Village Administration, res. Ordzhonikidze, Sunzhenskiy Rayon, Ingushetia.

Kabardino-Balkar Republic

1. Dragunova, Valentina Ivanovna, b. 5 October 1952, vice president of Republic Cultural-Ecological Benevolent Fund, res. Mayskiy, Kabardino-Balkaria.

2. Bodrov, Aleksandr Dmitriyevich, b. 12 September 1951, Kabardino-Balkar Republic Procuracy investigator, res. Nalchik.

Republic of Kalmykia—Khalmg Tangch

1. Khosroyeva, Bela Nikolayevna, b. 23 October 1937, aide to State Duma deputy of RF Federal Assembly, res. Moscow.

2. Matveyenko, Boris Gennadyevich, b. 21 May 1965, deputy general director of "Trast-Fin" joint-stock company, res. St. Petersburg.

Karachay-Cherkess Republic

1. Davydov, Vladimir Sergeyevich, b. 1 January 1958, coordinator of republic LDPR organization, res. Cherkessk.

Republic of Karelia

1. Maksimov, Mikhail Aleksandrovich, b. 17 October 1949, deputy chief mechanic at "Onega Tractor Plant" joint-stock company, res. Petrozavodsk.

2. Samokhin, Yuriy Borisovich, b. 24 September 1942, aide to State Duma deputy of RF Federal Assembly, res. Petrozavodsk.

3. Yurkevich, Yuriy Pavlovich, b. 2 August 1963, republic LDPR organization representative to LDPR Supreme Council, res. Petrozavodsk.

Komi Republic

1. Ageyev, Sergey Viktorovich, b. 20 March 1961, chief economist of "Ochag" joint-stock company, res. Moscow.

2. Zlobin, Valeriy Veniaminovich, b. 2 August 1950, coordinator of republic LDPR organization, res. Syktyvkar.

3. Borisov, Sergey Gennadyevich, b. 24 January 1971, teacher at Vorkuta Night School No 2, res. Vorkuta.

Republic of Mari El

1. Markelov, Leonid Igorevich, b. 25 June 1963, Interrepublic Bar Association attorney, res. Yoshkar-Ola.

Republic of Mordovia

1. Gridnev, Yuriy Sergeyevich, b. 9 June 1947, Saransk Municipal Council deputy, res. Saransk.

2. Demidov, Igor Alekseyevich, b. 4 August 1955, RF Ministry of Defense Military Mission engineer, res. Nizhniy Novgorod.

Sakha Republic (Yakutia)

1. Pozdnyakov, Yuriy Pavlovich, b. 14 August 1948, deputy chief of Yakutsk Administration, res. Yakutsk.

2. Molchanov, Nikolay Grigoryevich, b. 23 October 1938, director of Mirninskiy Rayon Secondary School No 4, res. Almaznyy, Mirninskiy Rayon.

3. Vinogradov, Anatoliy Aleksandrovich, b. 13 January 1954, coordinator of republic LDPR organization, res. Udachnyy, Mirninskiy Rayon.

North Ossetian Republic

1. Ivanov, Viktor Petrovich, b. 17 March 1938, State Duma deputy of RF Federal Assembly, res. Moscow.

2. Karginov, Viktor Lazarevich, b. 14 May 1954, aide to State Duma deputy of RF Federal Assembly, res. Vladikavkaz.

3. Zozrov, Georgiy Mayramovich, b. 15 May 1966, coordinator of republic LDPR organization, res. Vladikavkaz.

Tatarstan Republic (Tatarstan)

1. Kuznetsov, Mikhail Varfolomeyevich, b. 22 August 1968, chairman of benevolent fund of Boarding School No 18, res. Kazan.

2. Skum, Dmitriy Aleksandrovich, b. 16 April 1961, State Duma deputy of RF Federal Assembly, res. Moscow.

3. Golyandin, Vladimir Nikolayevich, b. 1 September 1948, coordinator of republic LDPR organization, res. Kazan.

Tyva Republic

1. **Kashin, Aleksandr Yuryevich,** b. 12 June 1963, aide to State Duma deputy of RF Federal Assembly, res. Kyzyl.

Udmurt Republic

Bardanov, Vladimir Aleksandrovich, b. 20 February 1960, general director of "Kineskop" limited-liability partnership, res. Moscow.

2. **Bokhanov, Vitaliy Yevdokimovich,** b. 24 August 1944, State Duma consultant of RF Federal Assembly, res. Moscow.

Republic of Khakassia

1. **Vinogradov, Aleksey Germanovich,** b. 11 November 1965, economist at "Sukhovey" joint-stock company, res. Vologda.

Chechen Republic

1. **Podlipayev, Nikolay Nikolayevich,** b. 22 June 1942, department head in LDPR headquarters, res. Mozhaysk, Moscow Oblast.

Chuvash Republic—Republic of Chavash

1. **Shipov, Aleksandr Borisovich,** b. 1 January 1955, State Duma deputy of RF Federal Assembly, res. Moscow.

2. **Moiseyev, Vladimir Aleksandrovich,** b. 15 March 1963, editor-in-chief of VESTNIK ZHIRINOVSKOGO, res. Cheboksary.

3. **Kuzmin, Gennadiy Sergeyevich,** b. 5 march 1939, shop chief at Kanash Electric Loading Equipment Plant, res. Kanash, Chuvashia.

Altay Kray

1. **Vishnyakov, Viktor Grigoryevich,** b. 22 January 1931, State Duma deputy of RF Federal Assembly, res. Moscow.

2. **Solovyev, Mikhail Nikolayevich,** b. 6 March 1957, first secretary of kray LDPR committee, res. Barnaul.

3. **Pyakin, Valeriy Viktorovich,** b. 7 May 1963, second secretary of kray LDPR committee, res. Barnaul.

Krasnodar Kray

1. **Kostyutkin, Vladimir Mikhaylovich,** b. 13 November 1948, State Duma deputy of RF Federal Assembly, res. Moscow.

2. **Lisichkin, Vladimir Aleksandrovich,** b. 3 October 1941, State Duma deputy of RF Federal Assembly, res. Moscow.

3. **Yepifanov, Anatoliy Yuryevich,** b. 17 September 1963, general director of "Intermarist" joint-stock company, res. Moscow.

4. **Vasilevskiy, Ivan Adamovich,** b. 1 February 1944, deputy director of "Yeyskaya" fishery, res. Yeysk, Krasnodar Kray.

Krasnoyarsk Kray

1. **Ivanov, Vladimir Pavlovich,** b. 25 August 1946, State Duma deputy of RF Federal Assembly, res. Krasnoyarsk.

2. **Zhurko, Vasiliy Vasilyevich,** b. 15 July 1963, State Duma deputy of RF Federal Assembly, res. Achinsk, Krasnoyarsk Kray.

3. **Stroyev, Sergey Kuzmich,** b. 9 September 1955, aide to State Duma deputy of RF Federal Assembly, res. Krasnoyarsk-26.

Maritime Kray

1. **Bolshakov, Yevgeniy Aleksandrovich,** b. 23 October 1949, State Duma deputy of RF Federal Assembly, res. Vladivostok.

2. **Ulyanov, Aleksandr Viktorovich,** b. 25 July 1955, deputy coordinator of kray LDPR organization, res. Vladivostok.

Stavropol Kray

1. **Zarichanskiy, Stanislav Konstantinovich,** b. 31 October 1962, State Duma deputy of RF Federal Assembly, res. Khimki, Moscow Oblast.

2. **Maksakova, Larisa Sergeyevna,** b. 29 November 1946, State Duma deputy of RF Federal Assembly, res. Moscow.

3. **Panin, Valeriy Pavlovich,** b. 1 January 1941, senior instructor at Stavropol State Pedagogical University, res. Stavropol.

Khabarovsk Kray

1. **Zhuravlev, Vitaliy Yevgenyevich,** b. 16 February 1964, State Duma deputy of RF Federal Assembly, res. Moscow.

2. **Semenov, Sergey Sergeyevich,** b. 30 November 1973, State Duma specialist-expert of RF Federal Assembly, res. Moscow.

3. **Grishkov, Vladimir Vasilyevich,** b. 1 September 1946, deputy coordinator of kray LDPR organization, res. Khabarovsk.

4. **Marin, Yuriy Nikolayevich,** b. 4 April 1950, general director of "Khingan" joint-stock company, res. Khabarovsk.

Amur Oblast

1. **Mormin, Sergey Valeryevich,** b. 20 December 1963, State Duma deputy of RF Federal Assembly, res. Vologda.

Arkhangelsk Oblast

1. **Churilov, Aleksey Viktorovich,** b. 20 June 1972, aide to State Duma deputy of RF Federal Assembly, res. Podyuga, Konoshskiy Rayon, Arkhangelsk Oblast.

2. **Ukhin, Yevgeniy Vadimovich,** b. 6 October 1960, chairman of the board of "ROSSNOR" residential construction combine, res. Arkhangelsk.

3. **Kurochkin, Sergey Vladimirovich,** b. 27 December 1960, director of "Sever-Nefteservis" joint-stock company, res. Arkhangelsk

Astrakhan Oblast

1. **Lebedintsev, Viktor Yakovlevich,** b. 5 December 1941, deputy department head in LDPR headquarters, res. Moscow.

2. **Babaytsev, Dmitriy Grigoryevich,** b. 22 March 1952, instructor at Astrakhan Medical Institute, res. Astrakhan.

3. **Shcherbakov, Yuriy Nikolayevich,** b. 14 July 1956, deputy director of "Fakel" printing house, res. Astrakhan.

Belgorod Oblast

1. **Sychev, Sergey Vladimirovich,** b. 1 March 1962, State Duma deputy of RF Federal Assembly, res. Belgorod.

2. **Goltsev, Vasiliy Fedorovich,** b. 8 March 1948, chief engineer of northern power supply networks of "Belgorodenergo" joint-stock company, res. Gubkin, Belgorod Oblast.

3. **Gabelkov, Yuriy Leonidovich,** b. 30 July 1958, coordinator of oblast LDPR organization, res. Belgorod.

Bryansk Oblast

1. **Lemeshov, Gennadiy Vladimirovich,** b. 26 September 1968, deputy editor-in-chief of PRAVDA ZHIRINOVSKOGO, res. Bryansk.

2. **Khramchenkov, Valeriy Grigoryevich,** b. 16 September 1960, deputy coordinator of oblast LDPR organization, res. Bryansk.

3. **Roshchina, Galina Viktorovna,** b. 17 March 1946, oblast bar association attorney, res. Bryansk.

Vladimir Oblast

1. **Gvozdarev, Vladimir Zakharovich,** b. 3 June 1951, State Duma deputy of RF Federal Assembly, res. Moscow.

2. **Panov, Anatoliy Alekseyevich,** b. 20 September 1937, general director of "Moscow Machine Tool Plant imeni S. Ordzhonikidze" joint-stock company, res. Moscow.

3. **Zhukov, Boris Anatolyevich,** b. 13 July 1947, coordinator of oblast LDPR organization, res. Orgtrud, Kameshkovskiy Rayon, Vladimir Oblast.

4. **Boykin, Pavel Anatolyevich,** b. 4 September 1962, deputy department head in LDPR headquarters, res. Murom, Vladimir Oblast.

Volgograd Oblast

1. **Ishchenko, Yevgeniy Petrovich,** b. 15 October 1972, deputy chairman of the board of "Moskovskiy Kredit" commercial bank, res. Volgograd.

2. **Karpenko, Oleg Anatolyevich,** b. 28 October 1967, coordinator of oblast LDPR organization, res. Volgograd.

3. **Karpenko, Aleksandr Anatolyevich,** b. 1 January 1970, aide to State Duma deputy of RF Federal Assembly, res. Volgograd.

Vologda Oblast

1. **Kuznetsov, Yuriy Pavlovich,** b. 12 October 1947, State Duma deputy of RF Federal Assembly, res. St. Petersburg.

2. **Churkin, Sergey Aleksandrovich,** b. 22 November 1956, State Duma deputy of RF Federal Assembly, res. Vologda.

3. **Lednev, Igor Dmitriyevich,** b. 28 April 1967, editor of PRAVDA ZHIRINOVSKOGO (Vologda edition), res. Vologda.

4. **Rogozhnikov, Vladimir Valeryevich,** b. 28 February 1966, coordinator of Cherepovets city LDPR organization, res. Cherepovets, Vologda Oblast.

Voronezh Oblast

1. **Zhirinovskiy, Aleksandr Andreyevich,** b. 16 October 1932, chief of staff of LDPR faction in State Duma of RF Federal Assembly, res. Vatutinki, Leninskiy Rayon, Moscow Oblast.

2. Khvorikov, Yuriy Petrovich, b. 24 May 1959, teacher at Voronezh Secondary School No 76, res. Voronezh.

3. Glebov, Viktor Ivanovich, b. 20 October 1939, department head in LDPR headquarters, res. Moscow.

Ivanovo Oblast

1. Dorovskikh, Andrey Mikhaylovich, b. 2 May 1965, State Duma deputy of RF Federal Assembly, res. Balashov, Saratov Oblast.

2. Parshakov, Yuriy Nikolayevich, b. 5 September 1941, coordinator of oblast LDPR organization, res. Ivanovo.

3. Norkin, Aleksandr Vadimovich, b. 13 June 1973, legal counsel of "Alibi" legal aid agency, res. Kineshma, Ivanovo Oblast.

Irkutsk Oblast

1. Kozlov, Valeriy Nikolayevich, b. 26 May 1956, chief specialist of "Stroymaterialy" joint-stock company in Syktyvkar, res. Syktyvkar, Komi Republic.

2. Kudryavtsev, Sergey Ivanovich, b. 8 April 1960, coordinator of Irkutsk LDPR organization, res. Irkutsk.

3. Noskova, Natalya Vladimirovna, b. 8 March 1971, editor of PRAVDA ZHIRINOVSKOGO (Irkutsk edition), res. Irkutsk.

4. Makarov, Nikolay Anatolyevich, b. 2 October 1951, director of "Koblyakovskiy" sovkhoz, res. Koblyakovo, Bratskiy Rayon, Irkutsk Oblast.

Kaliningrad Oblast

1. Moiseyev, Anatoliy Semenovich, b. 26 October 1947, State Duma deputy of RF Federal Assembly, res. Zapovednoye, Slavskiy Rayon, Kaliningrad Oblast.

Kaluga Oblast

1. Sidorov, Mikhail Nikolayevich, b. 17 April 1947, State Duma deputy of RF Federal Assembly, res. Moscow.

2. Podmazov, Vladimir Nikolayevich, b. 15 January 1952, department head in LDPR headquarters, res. Mytishchi, Moscow Oblast.

3. Pushkin, Gennadiy Anatolyevich, b. 5 October 1959, coordinator of oblast LDPR organization, res. Kaluga.

Kamchatka Oblast

1. Lemeshev, Mikhail Yakovlevich, b. 1 January 1927, State Duma deputy of RF Federal Assembly, res. Moscow.

2. Yekimov, Mikhail Veniaminovich, b. 20 June 1959, coordinator of regional LDPR organization, res. Petropavlovsk-Kamchatskiy.

Kemerovo Oblast

1. Solomatin, Yegor Yuryevich, b. 3 October 1964, chairman of board of directors of "Financial Center" joint-stock company, res. Moscow.

2. Listopadova, Vera Andreyevna, b. 9 August 1938, aide to State Duma deputy of RF Federal Assembly, res. Pyatigorsk, Stavropol Kray.

3. Bryukhanov, Vladimir Aleksandrovich, b. 15 June 1961, aide to State Duma deputy of RF Federal Assembly, res. Pyatigorsk, Stavropol Kray.

Kirov Oblast

1. Vakulenko, Mikhail Yuryevich, b. 7 May 1964, State Duma deputy of RF Federal Assembly, res. Kirov.

2. Salikhov, Marat Rivgatovich, b. 8 September 1969, aide to State Duma deputy of RF Federal Assembly, res. Kirov.

3. Ivonin, Yuriy Sergeyevich, b. 5 May 1943, aide to State Duma deputy of RF Federal Assembly, res. Kirov.

Kostroma Oblast

1. Sidorov, Anatoliy Stepanovich, b. 18 February 1933, State Duma deputy of RF Federal Assembly, res. Moscow.

2. Kulay, Aleksey Arkadyevich, b. 16 April 1966, department head of Kostroma Bank of RF Sberbank, res. Kostroma.

Kurgan Oblast

1. Moiseyev, Boris Vasilyevich, b. 24 November 1935, State Duma deputy of RF Federal Assembly, res. Moscow.

2. Gorokhov, Vladimir Vasilyevich, b. 16 December 1941, coordinator of oblast LDPR organization, res. Kurgan.

Kursk Oblast

1. Antonov, Yuriy Mikhaylovich, b. 19 February 1945, composer, res. Moscow.

2. Ruda, Yuriy Mikhaylovich, b. 28 April 1958, State Duma deputy of RF Federal Assembly, res. Boloto, Gorshechenskiy Rayon, Kursk Oblast.

3. Astakhov, Sergey Kuzmich, b. 3 March 1956, director of "ASKI" firm, res. Kursk.

4. **Ishkova, Nina Yevgenyevna,** b. 8 April 1962, aide to State Duma deputy of RF Federal Assembly, res. Gorshechnoye, Gorshechenskiy Rayon, Kursk Oblast.

Leningrad Oblast

1. **Sadchikov, Ivan Aleksandrovich,** b. 20 June 1940, president of Leningrad Association of Scientific Societies, res. St. Petersburg.

2. **Bodrov, Sergey Viktorovich,** b. 26 November 1965, coordinator of municipal Afghanistan War Veterans Fund, res. St. Petersburg.

3. **Ulybin, Vyacheslav Vyacheslavovich,** b. 19 November 1968, deputy coordinator of St. Petersburg city LDPR organization, res. St. Petersburg.

4. **Glushchenko, Mikhail Ivanovich,** b. 5 May 1957, vice president of municipal Association of Retired Boxers, res. St. Petersburg.

5. **Ravdis, Gennadiy Veniaminovich,** b. 5 November 1943, aide to State Duma deputy of RF Federal Assembly, res. St. Petersburg.

6. **Rozhok, Petr Mikhaylovich,** b. 13 September 1939, deputy department head in LDPR headquarters, res. Moscow.

Lipetsk Oblast

1. **Orlov, Vladimir Stepanovich,** b. 25 October 1955, aide to State Duma deputy of RF Federal Assembly, res. Lipetsk.

2. **Sviridov, Valentin Yefimovich,** b. 16 July 1941, coordinator of oblast LDPR organization, res. Lipetsk.

3. **Yefanov, Lev Anatolyevich,** b. 10 May 1965, deputy coordinator of oblast LDPR organization, res. Yelts, Lipetsk Oblast.

4. **Puzikov, Nikolay Petrovich,** b. 3 January 1946, shop chief at "Novolipetsk Metallurgical Combine" joint-stock company, res. Lipetsk.

Magadan Oblast

1. **Bagrov, Valeriy Ivanovich,** b. 15 February 1947, deputy coordinator of oblast LDPR organization, res. Magadan.

2. **Miroshnikov, Vladimir Ivanovich,** b. 2 March 1953, deputy coordinator of oblast LDPR organization, res. Magadan.

Moscow Oblast

1. **Kiselev, Vyacheslav Viktorovich,** b. 3 June 1948, State Duma deputy of RF Federal Assembly, res. Pushkino, Moscow Oblast.

2. **Surinov, Tatevos Romanovich,** b. 19 July 1960, president of "Orel-Avia" airline, res. Moscow.

3. **Lebedev, Igor Vladimirovich,** b. 27 September 1972, aide to State Duma deputy of RF Federal Assembly, res. Moscow.

4. **Balakhovskiy, Viktor Nikolayevich,** b. 19 September 1956, editor of PRAVDA ZHIRINOVSKOGO (Lyubertsy edition), res. Lyubertsy, Moscow Oblast.

5. **Shcheglov, Vladimir Vladimirovich,** b. 3 April 1947, deputy coordinator of oblast LDPR organization, res. Podolsk, Moscow Oblast.

6. **Zorin, Vladimir Nikolayevich,** b. 13 January 1947, deputy director of "Radius" limited-liability partnership, res. Dubna, Moscow Oblast.

7. **Khlebnikov, Sergey Mikhaylovich,** b. 14 September 1961, coordinator of Yegoryevskiy Rayon LDPR organization, res. Ramenki, Yegoryevskiy Rayon, Moscow Oblast.

Murmansk Oblast

1. **Buzov, Yuriy Yevgenyevich,** b. 3 January 1955, State Duma deputy of RF Federal Assembly, res. Moscow.

2. **Vikhorev, Aleksandr Vladimirovich,** b. 1 June 1954, coordinator of oblast LDPR organization, res. Safonovo, Severomorskiy Rayon, Murmansk Oblast.

3. **Kubayev, Leonid Mikhaylovich,** b. 22 May 1947, deputy coordinator of oblast LDPR organization, res. Murmansk.

Nizhniy Novgorod Oblast

1. **Kozyrev, Aleksandr Ivanovich,** b. 30 December 1949, State Duma deputy of RF Federal Assembly, res. Moscow.

2. **Gagut, Luiza Dmitriyevna,** b. 28 September 1949, State Duma deputy of RF Federal Assembly, res. Moscow.

3. **Novikov, Vadim Gennadyevich,** b. 24 June 1957, coordinator of oblast LDPR organization, res. Nizhniy Novgorod.

4. **Ponomarev, Vladimir Aleksandrovich,** b. 17 November 1962, State Duma deputy of RF Federal Assembly, res. Nizhniy Novgorod.

Novgorod Oblast

1. **Zhukov, Dmitriy Anatolyevich,** b. 30 August 1927, writer, res. Moscow.

2. Kondratyev, Vladimir Aleksandrovich, b. 14 March 1939, general director of "Malyy Volkhovets" joint-stock company, res. Novgorod.

3. Ignatyev, Gennadiy Aleksandrovich, b. 11 April 1945, assistant dean of School of History, Novgorod State University, res. Novgorod.

Novosibirsk Oblast

1. Loginov, Yevgeniy Yuryevich, b. 13 May 1965, State Duma deputy of RF Federal Assembly, res. Novosibirsk.

2. Balberov, Aleksandr Ivanovich, b. 2 January 1942, production chief at "Volga Motors" joint-stock company, res. Ulyanovsk.

3. Davidenko, Vladimir Ivanovich, b. 29 July 1948, laboratory supervisor at General Human Pathology and Ecology Institute of Siberian Department of Russian Academy of Medical Sciences, res. Novosibirsk.

4. Prosenko, Aleksandr Yevgenyevich, b. 2 May 1947, department head at Novosibirsk State Pedagogical University, res. Novosibirsk.

5. Dorovskiy, Andrey Mikhaylovich, b. 12 August 1968, coordinator of Kochenevskiy Rayon LDPR organization, res. Kochenevo, Kochenevskiy Rayon, Novosibirsk Oblast.

Omsk Oblast

1. Zuyev, Aleksey Alekseyevich, b. 11 March 1970, State Duma deputy of RF Federal Assembly, res. Moscow.

2. Rokhin, Yevgeniy Dmitriyevich, b. 24 January 1947, aide to State Duma deputy of RF Federal Assembly, res. Omsk.

3. Sidorov, Gennadiy Nikolayevich, b. 26 August 1952, senior scientific associate at Scientific Research Institute of Natural Foci of Infections, res. Omsk.

Orenburg Oblast

1. Snezhkov, Mikhail Nikolayevich, b. 19 July 1945, State Duma deputy of RF Federal Assembly, res. Moscow.

2. Kits, Aleksandr Vladimirovich, b. 11 November 1956, coordinator of oblast LDPR organization, res. Orenburg.

3. Korobov, Aleksey Viktorovich, b. 11 December 1961, Armavir Municipal Administration specialist in organization of territorial administrative bodies in Krasnodar Kray, res. Armavir, Krasnodar Kray.

4. Baturin, Gennadiy Nikolayevich, b. 28 January 1958, aide to State Duma deputy of RF Federal Assembly, res. Novoorsk, Orenburg Oblast.

Orel Oblast

1. Isakov, Sergey Vladimirovich, b. 12 July 1961, vice president of "Orel-Avia" airline, res. Mtsensk, Orel Oblast.

2. Shorenko, Aleksandr Nikolayevich, b. 5 May 1949, coordinator of oblast LDPR organization, res. Mtsensk, Orel Oblast.

3. Zybunovskiy, Mikhail Georgiyevich, b. 28 October 1939, aide to State Duma deputy of RF Federal Assembly, res. Orel.

Penza Oblast

1. Magomedov, Stanislav Yunusovich, b. 6 October 1965, deputy general director of "M-Avto" firm, res. Dolgoprudnyy, Moscow Oblast.

2. Dubinin, Sergey Valeryevich, b. 27 March 1963, division head at "Universal" scientific-production center, res. Mtsensk, Orel Oblast.

3. Korobov, Sergey Aleksandrovich, b. 31 October 1958, State Duma deputy of RF Federal Assembly, res. Penza.

4. Sakhnov, Sergey Veniaminovich, b. 21 July 1959, surgeon at Vadinsk Central Regional Hospital, res. Vadinsk, Penza Oblast.

5. Smirnov, Mikhail Grigoryevich, b. 27 August 1960, electrician at Penza Radio Plant, res. Penza.

Perm Oblast

1. Skurikhin, Sergey Vasilyevich, b. 4 August 1956, State Duma specialist-expert of RF Federal Assembly, res. Usva, Gremyachinskiy Rayon, Perm Oblast.

2. Novozhilov, Sergey Gennadyevich, b. 25 January 1958, general director of "Ural-Zerno" joint-stock company, res. Berezniki, Perm Oblast.

3. Parkhomenko, Stanislav Ilyich, b. 25 January 1945, head of security service of "Santa" firm, res. Perm.

4. Sobko, Andrey Garriyevich, b. 7 May 1969, coordinator of oblast LDPR organization, res. Perm.

Pskov Oblast

1. Mikhaylov, Yevgeniy Eduardovich, b. 17 March 1963, State Duma deputy of RF Federal Assembly, res. Velikiye Luki, Pskov Oblast.

2. **Yashin, Viktor Anatolyevich,** b. 9 February 1965, aide to State Duma deputy of RF Federal Assembly, res. Pskov.

3. **Shakhov, Dmitriy Vladimirovich,** b. 26 March 1968, aide to State Duma deputy of RF Federal Assembly, res. Moscow.

Rostov Oblast

1. **Korniyenko, Viktor Ulyanovich,** b. 21 December 1937, State Duma deputy of RF Federal Assembly, res. Moscow.

2. **Grinberg, Aleksandr Leonidovich,** b. 29 April 1953, deputy general director of "Sevkavavtoresurs" joint-stock company, res. Rostov-on-Don.

3. **Goncharov, Mikhail Yuryevich,** b. 4 May 1952, director of "Urozhay" limited-liability partnership, res. Rostov-on-Don.

4. **Gusev, Vadim Rudolfovich,** b. 24 April 1966, director of "INTERPromservis" joint-stock company, res. Kamensk-Shakhtinskiy, Rostov Oblast.

5. **Kasyanov, Aleksandr Anatolyevich,** b. 25 July 1946, coordinator of oblast LDPR organization, res. Rostov-on-Don.

6. **Kokorev, Aleksandr Aleksandrovich,** b. 4 March 1952, chancellor of Economic Security Academy, res. Moscow.

7. **Tkachev, Viktor Sergeyevich,** b. 2 August 1950, secretary of Novoshakhtinsk city LDPR organization, res. Novoshakhtinsk, Rostov Oblast.

8. **Krivokobylko, Vera Aleksandrovna,** b. 15 January 1949, chief legal counsel of "Rostovtara" joint-stock company, res. Rostov-on-Don.

9. **Bezborodko, Aleksandr Borisovich,** b. 4 March 1953, coordinator of Rostov city LDPR organization, res. Rostov-on-Don.

Ryazan Oblast

1. **Kapustin, Anatoliy Vladimirovich,** b. 10 January 1939, State Duma deputy of RF Federal Assembly, res. Moscow.

2. **Rakov, Viktor Nikolayevich,** b. 2 October 1949, coordinator of oblast LDPR organization, res. Ryazan.

Samara Oblast

1. **Burlakov, Mikhail Petrovich,** b. 31 January 1952, State Duma deputy of RF Federal Assembly, res. Tolyatti, Samara Oblast.

2. **Kireyev, Anton Valeryevich,** b. 23 May 1972, State Duma deputy of RF Federal Assembly, res. Moscow.

3. **Davydov, Vsevolod Gennadyevich,** b. 17 November 1961, director of Samara Project Planning Institute, res. Samara.

4. **Kantariya, Kandid Georgiyevich,** b. 28 February 1945, deputy director of "Elion" construction enterprise, res. Samara.

Saratov Oblast

1. **Mityayev, Ivan Ivanovich,** b. 14 April 1965, president of "Ekipazh" economic-finance corporation, res. Moscow.

2. **Chugunov, Mikhail Fedorovich,** b. 25 November 1948, coordinator of oblast LDPR organization, res. Saratov.

3. **Matveyev, Dmitriy Viktorovich,** b. 11 February 1972, coordinator of Balakovo city LDPR organization, res. Balakovo, Saratov Oblast.

Sakhalin Oblast

1. **Semenov, Anatoliy Sergeyevich,** b. 11 December 1945, department head in LDPR headquarters, res. Lobnya, Moscow Oblast.

2. **Glazov, Mikhail Mikhaylovich,** b. 6 March 1950, coordinator of Sakhalin Oblast LDPR organization, res. Yuzhno-Sakhalinsk.

Sverdlovsk Oblast

1. **Pchelkin, Vladimir Viktorovich,** b. 22 April 1967, State Duma deputy of RF Federal Assembly, res. Moscow.

2. **Zhirinovskaya, Lyubov Andreyevna,** b. 13 September 1942, department head in LDPR headquarters, res. Moscow.

3. **Filyushenko, Anatoliy Alekseyevich,** b. 30 November 1938, assistant professor at Ural Law Academy, res. Yekaterinburg.

4. **Bestuzhev, Igor Zinovyevich,** b. 12 January 1937, chairman of Nizhniy Tagil Committee on Land Resources and Land Management, res. Nizhniy Tagil, Sverdlovsk Oblast.

5. **Borisov, Vladimir Sergeyevich,** b. 21 December 1953, deputy chief of laboratory at Nizhniy Tagil Metallurgical Combine, res. Nizhniy Tagil, Sverdlovsk Oblast.

Smolensk Oblast

1. **Zlobin, Vladimir Veniaminovich,** b. 6 April 1956, head of Traffic Organization Service of "Orel-Avia" airline, res. Orel.

2. Zhogov, Valeriy Leonidovich, b. 20 November 1965, deputy editor-in-chief of PRAVDA ZHIRINOVSKOGO, res. Moscow.

Tambov Oblast

1. Krivelskaya, Nina Viktorovna, b. 10 October 1948, State Duma deputy of RF Federal Assembly, res. Moscow.

2. Karev, Aleksey Gennadyevich, b. 9 May 1961, department head at "Kont" firm, res. Dedovsk, Moscow Oblast.

3. Grebenshchikov, Yuriy Petrovich, b. 30 January 1952, coordinator of Tambov city LDPR organization, res. Tambov.

Tver Oblast

1. Pavlyuk, Nikolay Yakovlevich, b. 10 October 1948, aide to State Duma deputy of RF Federal Assembly, res. Moscow.

2. Bolshakov, Vadim Ivanovich, b. 17 July 1930, State Duma deputy of RF Federal Assembly, res. Moscow.

3. Rozov, Viktor Ivanovich, b. 20 March 1947, coordinator of oblast LDPR organization, res. Rzhev, Tver Oblast.

Tomsk Oblast

1. Aleksandrov, Valeriy Anatolyevich, b. 28 December 1964, coordinator of oblast LDPR organization, res. Seversk, Tomsk Oblast.

2. Shibayeva, Mariya Olegovna, b. 11 November 1963, head of division of Tomsk Municipal Property Committee, res. Tomsk.

Tula Oblast

1. Filatov, Aleksandr Valentinovich, b. 16 July 1967, State Duma deputy of RF Federal Assembly, res. Moscow.

2. Shemyakin, Aleksandr Vasilyevich, b. 14 January 1943, department head in LDPR headquarters, res. Moscow.

3. Kovalev, Vladimir Anatolyevich, b. 25 August 1959, coordinator of oblast LDPR organization, res. Tula.

Tyumen Oblast

1. Vasilishin, Aleksey Viktorovich, b. 11 January 1945, State Duma deputy of RF Federal Assembly, res. Tobolsk, Tyumen Oblast.

2. Zhuravkov, Petr Valentinovich, b. 3 November 1953, general director of "Sintra" joint-stock company, res. Tyumen.

3. Ilin, Andrey Aleksandrovich, b. 23 February 1960, coordinator of oblast LDPR organization, res. Tyumen.

4. Timofeyev, Valentin Borisovich, b. 31 January 1956, general director of Tyumen municipal "Nefteprodukt" enterprise, res. Tyumen.

Ulyanovsk Oblast

1. Balberov, Aleksandr Aleksandrovich, b. 28 August 1962, aide to State Duma deputy of RF Federal Assembly, res. Ulyanovsk.

2. Petrov, Valeriy Valentinovich, b. 13 August 1961, general director of "Energoblok" joint-stock company, res. Odintsovo, Moscow Oblast.

3. Kishkinev, Aleksandr Fedorovich, b. 4 August 1954, general director of "Volga" joint-stock company, res. Ulyanovsk.

Chelyabinsk Oblast

1. Travkin, Maksim Lvovich, b. 23 February 1969, aide to State Duma deputy of RF Federal Assembly, res. Moscow.

2. Yalovenko, Aleksey Fedorovich, b. 23 January 1951, coordinator of oblast LDPR organization, res. Chelyabinsk.

3. Kotelnikov, Mikhail Sergeyevich, b. 9 April 1946, chief designer at "Signal" state enterprise, res. Chelyabinsk.

4. Tuyev, Anatoliy Ivanovich, b. 20 August 1949, "Atlant" check investment fund adviser, res. Chelyabinsk.

Chita Oblast

1. Bogatov, Vladimir Vladimirovich, b. 18 December 1960, coordinator of oblast LDPR organization, res. Chita.

2. Chesnykh, Ivan Alekseyevich, b. 16 February 1938, chairman of "Zabaykalskiy Khleb" joint-stock company, res. Chita.

Yaroslavl Oblast

1. Zvyagin, Aleksey Alekseyevich, b. 19 October 1936, State Duma deputy of RF Federal Assembly, res. Moscow.

2. Fedorov, Gennadiy Andreyevich, b. 31 August 1950, coordinator of oblast LDPR organization, res. Yaroslavl.

3. **Nasonov, Vladimir Yuryevich,** b. 6 December 1956, aide to State Duma deputy of RF Federal Assembly, res. Moscow.

City of Moscow

1. **Zhukovskiy, Aleksandr Ivanovich,** b. 13 October 1949, chairman of the board of Voyenkombank, res. Moscow.

2. **Dunets, Mikhail Ivanovich,** b. 11 March 1950, deputy chairman of LDPR, res. Moscow.

3. **Lebedeva, Galina Aleksandrovna,** b. 23 July 1947, senior scientific associate at Virology Institute of RF Academy of Medical Sciences, res. Moscow.

4. **Zhebrovskaya, Natalya Anatolyevna,** b. 11 April 1954, executive secretary of PRAVDA ZHIRINOVSKOGO, res. Moscow.

5. **Groza, Aleksey Vladimirovich,** b. 19 May 1951, vice president of "Yevroazbiznesbank," res. Moscow.

6. **Shishelin, Vyacheslav Nikolayevich,** b. 31 August 1948, aide to State Duma deputy of RF Federal Assembly, res. Moscow.

7. **Spirin, Yuriy Leonidovich,** b. 21 March 1938, State Duma sector head of RF Federal Assembly, res. Moscow.

8. **Aleksandrov, Vladimir Viktorovich,** b. 7 May 1928, lead scientific associate at Institute of Scientific Information on Social Sciences of Russian Academy of Sciences, res. Moscow.

9. **Strygin, Andrey Vadimovich,** b. 19 July 1952, assistant professor at State Management Academy, res. Moscow.

10. **Lukava, Georgiy Grigoryevich,** b. 22 August 1925, State Duma deputy of RF Federal Assembly, res. Moscow.

11. **Kozlov, Andrey Anatolyevich,** b. 13 October 1947, coordinator of regional LDPR organization, res. Moscow.

12. **Karpukhin, Igor Aleksandrovich,** b. 13 November 1960, deputy department head in LDPR headquarters, res. Moscow.

City of St. Petersburg

1. **Kiselev, Vladimir Anatolyevich,** b. 20 January 1940, serviceman, res. Sosnovyy Bor, Leningrad Oblast.

2. **Kuznetsov, Sergey Viktorovich,** b. 2 May 1968, driver for municipal first-aid station, res. St. Petersburg.

3. **Shevchenko, Vyacheslav Alekseyevich,** b. 9 June 1953, general director of "Rosvuzdizayn" scientific research enterprise, res. St. Petersburg.

4. **Sadchikov, Kirill Ivanovich,** b. 12 June 1967, chairman of "Pravda" trade union in St. Petersburg, res. St. Petersburg.

Jewish Autonomous Oblast

1. **Batogov, Aleksey Maratovich,** b. 7 June 1946, State Duma adviser of RF Federal Assembly, res. Moscow.

2. **Kazko, Vasiliy Ivanovich,** b. 12 August 1950, deputy head of cultural office of Jewish Autonomous Oblast Administration, res. Birobijan.

Aga-Buryat Autonomous Okrug

1. **Tsybendarzhiyev, Bator Shirapovich,** b. 26 April 1958, chairman of Duldurginskiy Rayon Consumers Society, res. Uzon, Duldurginskiy Rayon, Chita Oblast.

Komi-Permyak Autonomous Okrug

1. **Popov, Aleksandr Yuryevich,** b. 23 August 1956, production chief at Perm State Medical Academy, res. Perm.

Koryak Autonomous Okrug

1. **Bachish, Anatoliy Vladimirovich,** b. 25 January 1959, deputy coordinator of oblast LDPR organization, res. Petropavlovsk-Kamchatskiy.

Nenetsk Autonomous Okrug

1. **Laskin, Dmitriy Yuryevich,** b. 22 March 1963, helicopter pilot of Naryan-Mar Air Detachment, res. Naryan-Mar.

Taymyr (Dolgano-Nenetsk) Autonomous Okrug

1. **Levenets, Irina Nikolayevna,** b. 11 April 1949, coordinator of Norilsk city LDPR organization, res. Norilsk, Krasnoyarsk Kray.

Ust-Orda Autonomous Okrug

1. **Volgov, Oleg Yevgenyevich,** b. 1 October 1964, vice president of "Sodruzhestvo" industrial-trade firm, res. Moscow.

Khanty-Mansiysk Autonomous Okrug

1. **Sigarev, Sergey Fedorovich,** b. 16 July 1959, president of "Rossiyanin" international humanitarian fund of law enforcement agencies, res. Moscow.

2. **Starikov, Vladimir Vasilyevich,** b. 6 January 1943, director of "Starikov and Co." firm, res. Khanty-Mansiysk.

Chukotsk Autonomous Okrug

1. **Filatov, Viktor Ivanovich,** b. 25 September 1935, State Duma consultant of RF Federal Assembly, res. Moscow.

Evenki Autonomous Okrug

1. **Nikiforov, Andrey Olegovich,** b. 13 August 1962, department head in LDPR headquarters, res. Krasnoyarsk.

Yamalo-Nenetsk Autonomous Okrug

1. **Ponomarenko, Viktor Nikolayevich,** b. 5 April 1949, coordinator of okrug LDPR organization, res. Novyy Urengoy, Yamalia.

[Signed] A.D. Vengerovskiy, Congress Chairman
I.A. Karpukhin, Congress Secretary

Election Guidelines

CEC Approves Additions to Edict on Electoral Blocs

964F0051A Moscow ROSSIYSKAYA GAZETA in Russian 27 Sep 95 p 4

[Additions to the "Explanations to Procedures for Forming Electoral Blocs, Their Registration by the Central Electoral Commission of the Russian Federation, and the Nomination of Candidates for Deputy by an Electoral Bloc"]

[FBIS Translated Text] The Central Electoral Commission [CEC] of the Russian Federation [RF] in Decree No. 17/146-II, dated 18 September 1995, approved additions to the "Explanations on Procedures on Forming Electoral Blocs, Their Registration by the RF CEC, and the Nomination of Candidates for Deputy by an Electoral Bloc," approved by RF CEC Decree No. 8/50-II dated 28th July 1995.

An electoral bloc's registration by the RF CEC does not preclude the possibility of it subsequently changing its composition in the future, by reason of more associations joining the electoral bloc or by reason of one or several other associations dropping out of it.

The RF CEC will revoke the decision on an electoral bloc's registration if, after the electoral bloc's registration is carried out but before certified copies of candidate lists are issued to the electoral bloc's authorized representative, the following are submitted to the commission: when joining a bloc—relevant decisions of congresses (conferences) of public associations and a joint decision of all public associations to create an electoral bloc in a new composition, and when leaving a bloc—relevant decisions of congresses (conferences) or their authorized leadership bodies.

Public associations, both those that set up a bloc in the new composition and those that decide to remain in the bloc after one or several public associations leave it, have the right to submit to the RF CEC in keeping with established procedures the documents necessary for the electoral bloc's registration, enumerated in part four of Article 33 of the federal law "On elections of deputies to the State Duma of the Federal Assembly of the Russian Federation."

At the same time, with respect to public associations that were previously part of an electoral bloc and confirm the decision to remain in the bloc in its new composition, they may submit protocols of congresses (conferences) with the decision to join the electoral bloc that was submitted to the RF CEC in order to register the bloc that was subsequently revoked.

A joint decision of public associations on creating an electoral bloc in a new composition (retaining the bloc after one or more public associations drop out) must be signed by authorized representatives of only those public associations that remain in it.

RF CEC decisions on revoking an electoral bloc's registration and on registering an electoral bloc in a new composition may be made at the same meeting of the commission.

An electoral bloc's composition may be changed even after its authorized representative receives certified copies of lists of candidates nominated by the electoral bloc. In this case, the electoral bloc's registration is done in keeping with the requirements and procedures envisaged for an electoral bloc's registration during the period before its authorized representative is issued certified copies of lists of candidates.

Changing an electoral bloc's composition by reason of additional public associations joining it voids the legal validity of voters' signatures in support of the federal list of candidates and candidates nominated by this electoral bloc in single-seat districts collected before the RF CEC issues a decision on registering the electoral bloc in a new composition.

However, voters' signatures collected by an electoral bloc whose change in composition and registration in a new composition were caused by public associations dropping out of it do not lose their legal validity.

Over the period after the registration by the RF CEC of the list of candidates nominated by the electoral bloc, its registration in a new composition is only possible by reason of public associations dropping out of the electoral bloc, but no later than five days before the elections.

Forecasts & Commentary

Shumeyko Interviewed on Elections, Local Politics, Budget

MM1210085595 Moscow ROSSIYSKAYA GAZETA in Russian 10 Oct 95 pp 1, 3

[Interview with Russian Federation Council Chairman Vladimir Shumeyko "prepared by" Mikhail Gurevich and conducted at ROSSIYSKAYA GAZETA editorial office on 2 October: "Three Pillars of Strong Government: Center, Regions, Party" — first paragraph is ROSSIYSKAYA GAZETA introduction]

[FBIS Translated Text] Sessions of the Russian Federation Federation Council resumed 3 October after the summer recess. But the vacation ended earlier than that for Federation Council Chairman Vladimir Shumeyko. The previous day he came to the ROSSIYSKAYA GAZETA editorial office. The top senator's conversation with journalists was very meaty. Judge for yourselves.

[ROSSIYSKAYA GAZETA] What is your view of the current "upsurge" in press interest in you?

[Shumeyko] It is an entirely justified "upsurge." After all, the election campaign is under way. Unfortunately, in our country it is proceeding according to the principle: "The further into the forest you go, the muddier it gets." Our unforgettable Ruslan Imranovich [Khasbulatov] put it like this: "Politics is a dirty business." Admittedly, he himself made considerable efforts to vindicate this thesis.

Although I am not taking a direct part in the election campaign and am a member of no bloc, my role as chairman of the Federation Council, with a strong influence on what is happening with the Duma elections, is very clear. When all these polls assessing influence are published, I always ask just one question: "What I would like to know is: Where, when, on whom, and on what decisions does this politician exert influence?" I am perfectly aware of where and on whom I exert influence. And the publishers of the polls also know this. So it is all quite natural at this stage of the elections.

Without Middlemen

[ROSSIYSKAYA GAZETA] It is well known that you do nothing simply for its own sake. You recently went to Yekaterinburg for the founding congress of the "Transformation of the Fatherland" bloc. And the press again began to speculate: The Kremlin is trying to turn the party of regional leaders into a counterweight to the "Russia Is Our Home" movement.

[Shumeyko] I would answer this question in broader terms. Let us analyze what is happening today with the Duma elections from the viewpoint of ordinary statistics and formal logic. Sixty electoral associations have already been registered. Experts from the Central Electoral Commission say that there will be around 70 or even more. When it comes to the federal lists, there are now 40 contenders per seat, and there are 20 contenders per seat in the single-seat districts. This is quite unprecedented!

The deadline for collecting signatures is 22 October, and I hope that fewer contenders will be left and that not everyone will surmount the first barrier — collecting 5,000 signatures for themselves personally and 200,000 per association. But a simple calculation already shows that the single-seat districts — these are the only ones that interest me at present — will have between seven and 12 people per seat. That is also a great many.

Let us divide all the contenders into three groups. The first group is those who are connected with major blocs and associations — "Russia Is Our Home," "Democratic Choice," the CPRF [Communist Party of the Russian Federation], the Agrarians — and with those who are currently in the Duma. The second is those who are supported by the local authorities. And the third is those who are supported by commercial organizations, and experts testify that up to 10 percent of them will be directly connected with criminal formations.

When we discussed the law on elections to the State Duma in the Federation Council we bluntly said: It would be best for all the deputies to be elected according to the first-past-the-post system. We don't want party lists, we want people elected directly in the district because of their personal qualities.

I read a comment in one newspaper: "All the deputies from the regions will come along and defend only regional interests."

But what interests does Russia have besides regional interests?

There are no purely party interests — these are in fact group interests. A specific group rather than the whole of society is behind even the biggest association — "Russia Is Our Home." But it should be everybody. Because the most important thing for the state today is for it to develop the way it is developing — federally. So far as I am concerned democracy is inseparable from federalism.

I am most interested in the second group in my classification. So far as I am concerned this is one of the main criteria — whether a deputy is supported by the local authorities. This usually coincides with the opinion of people themselves. I agree that in Russia it is bad to belong to the authorities at all. But if you compare the local authorities and the central authorities — for people who live in the regions — statistics show that the local authorities are trusted 27 percent more. And people know that these are their own authorities, they defend them. Whereas the central authorities, by contrast, are "alien" and are responsible for everything bad. Such is the mentality.

[Sverdlovsk Governor] Rossel's "Transformation of the Fatherland" movement is not the most powerful movement, and I said as much at their congress. But its value is that it was not formed to suit a central leader. Suppose Shumeyko decided to create his own movement — there is no question, it would spring up overnight. And it would be of no value. But this movement emerged from below — it developed from "Transformation of the Urals" into "Transformation of the Fatherland." They have different tasks and different aims. And the Federation Council must support regional deputies without middlemen in the shape of a Moscow party-political coterie. Any middlemen only worsen the process and, as is well known, make it more expensive.

But participation in congresses and visits are just the first stage. There will also be a second stage — when all the signatures have been collected and it is clear who is left. I have quite a lot of ideas about how to give them real, all-around support. The more regional deputies there are in the Duma, the better. But there are no particularly cheerful prospects, the Duma will probably be a patchwork and nobody will have a majority. Hence a different issue arises. The Federation Council must be formed from heads of administrations and heads of legislative assemblies from the regions and nobody else. I am sticking to my view. Otherwise in addition to the unpredictable Duma that may result we may have a similar Federation Council — and then, as the joke says, we can melt Hershey bars [allusion unknown]. I don't want to do that.

[ROSSIYSKAYA GAZETA] Have you had offers to join a bloc? Or to create your own?

[Shumeyko] There have actually been misunderstandings: We are all members of something, but you are not a member of anything? But now everybody has calmed down, everybody realizes that the chairman of the Federation Council cannot espouse any other position. They say to me: "You are cutting off the branch you are sitting on. The elections would be more to your advantage." All right, I am sawing away. But that is totally beside the point. The point is the development of the state as such. I have spent five years in the very thick of this. I know everybody. I know who has done what, how, and for what purpose. And this gives me the right to behave in the way I am behaving. Freely and independently. You asked about the reason for these "surges" in the press. They really hate it when someone has their own opinion. You simply have to be a member of some bloc. In all these five years I have not been a member of any bloc and I have not joined any coterie. And in general I have never listened to anyone. It is easier to bury me than change me.

[ROSSIYSKAYA GAZETA] What do you mean, you have never listened to anyone? What about the president?

[Shumeyko] The president is a different matter. The president is the head of state. Whether it's Yeltsin, Ivanov, or Petrov, Shumeyko will always work for the head of state. To build democracy today is to strengthen power. Anarchy cannot be permitted.

Just look at events: As soon as the situation changes, half the people who shouted that they were in favor of the president are no longer in favor of the president. As for Shumeyko, he has never shouted anywhere, from any rooftop, that he is in favor of Yeltsin, has never taken him anywhere or done anything for him. He has worked for the authorities, is working for them, and will continue to work for them.

My whole life — from lathe operator to director — took place in a large enterprise, and I always knew: "If there is no authority, nothing will work out." But things were simpler at the plant, of course. If anyone had tried not to fulfill my instructions, he would simply have been gone the next day. But so far as the president is concerned, just look what is happening. Loads of edicts are not being fulfilled at all, and there are officials who say: "So what if the president has signed an edict. I know better." It is not a lack of respect, it is just that the very authority is lacking. But democracy is a form of authority. And authority must be strong no matter what it is called: monarchy or democracy.

At first people in our country took for democracy absolutely anything you like except democracy. Freedom of speech, action, and assembly are all indicators of a developed society, but not of authority. Authority is something else.

Beloved Country

[ROSSIYSKAYA GAZETA] I would like to ask you as an advocate of strong authority a regional question.

Three equal Federation components have emerged on the territory of Tyumen Oblast — the oblast itself, and the Khanty-Mansiysk and Yamalo-Nenets Autonomous Okrugs. Three vertical power structures.

[Shumeyko] When the constitution was being written (and I attended the Constitutional Conference and headed the group of industrialists and entrepreneurs) we discussed this question many times. From both the economic viewpoint and the state management viewpoint our Federation is not the best. It is called a symmetrical federation, where all the components are absolutely equal in status vis-a-vis the center. This is enshrined in the constitution. This is one of the worst options. It was necessary in order to preserve Russia's unity and prevent separatism.

Three components on a single territory is what is called a "nested component." There is one lot of land and mineral resources but four managers: the federal authorities and three equal components. It is a complex question. Yes, measures must be taken. We must move in the direction of amalgamation.

Not all Federation components — I am aware what I am saying — are today actually Federation components. Some arose artificially — precisely in order to ensure symmetry, equal rights, and the country's unity. Now there must certainly be a process of transformation.

The constitution contains an excellent mechanism: Any Federation component can delegate powers to the center, the center can delegate powers to a component, and the same thing can also take place between components. By gradually delegating powers on the basis of a treaty process Tyumen Oblast can be transformed — not today, nor maybe even tomorrow — into a single component. The most important point is that an economic infrastructure is required for this. It is impossible to deal with politics in isolation from economics, Lenin was absolutely right about that: Politics is the concentrated expression of economics.

I am a candidate of technical sciences, but I took up my pen, and my book "Russian Reforms and Federalism. Socioeconomic Essays" will come out shortly. I spent two years putting it together. In it I attempt to examine problems of federalism not from the ethnic or state viewpoint, but solely from the economic viewpoint. To examine how Moscow exerts influence here, and what are the bad results and the good results of the reforms devised in the center and carried out at local level. Sometimes totally without consideration of the regional element. The 89 regions are totally different in terms of all conditions and parameters. In my view, there is a lack of theory. There is simply none. Whereas there was theory when we were building communism before, there were hundreds of thousands of lecturers on Marxism-Leninism alone in the country.

[ROSSIYSKAYA GAZETA] In any state power begins in villages, settlements, and districts — both power and the whole of life. In your view, do the new authorities now exist at this level? Do the people who are in daily contact with them accept them?

[Shumeyko] In general terms what are the authorities? They can give something or take something. When the authorities give something or allocate it, they are viewed as the authorities. If we compare things with the past — where did the people used to live? We all used to live in sectors of industry. What ministry had what — that is what determined our lives. And the system of soviets permeated the entire country. It distributed what was given.

Today we have local self-government. According to the constitution, it is separated from the state. Does it constitute the authorities today? Not at present. They cannot be the authorities since they have nothing. There is no power without money.

Why, when examining the draft budget for 1996, do the Duma and our committees today intend to reject it? Because it does not enshrine the law on local self-government. It is paradoxical: The law on local self-government has been adopted, it provides a great deal of scope, but unless the budget immediately defines guidelines for people at local level, all this power will be left hanging in the air, it will not be power.

Why are the local authorities more trusted? Because, since they have the local budget, they do more to solve people's problems. Masses of material laws are adopted at federal level which say: "Via local resources." Teachers, doctors, pensioners, and veterans are perfectly well aware: The people at the top will not hand out money. But the local authorities look for it — by increasing taxes and by other means — and hand it out. That is why they are the authorities today and they are trusted.

[ROSSIYSKAYA GAZETA] What view do the local authorities take of the changes occurring in the state?

[Shumeyko] Would they choose the present political and economic system? They would. I have not seen anybody today who wants to return to a different form of government. But we must clearly make up our minds here.

We used to have centralized power and its mode of existence — the planned command economy. We chose the power called democratic, which has only one mode of existence — the market, open economy. If you want to build democracy, you have to want to build the market. Love me, love my child.

But how is the market to be built? Here too we "run up against" the local authorities. They are more pragmatic people.

They too want to build democracy, but national interests cannot be forgotten. The aggregate of all the regions' interests constitutes national interests.

From this viewpoint, excuse me, but I could not give a damn whether our market is theoretically pure or not and what kind of stabilization there is going to be there — mild or firm. The most important thing is for this to correspond to the development that is under way in the state.

Deputy From the Baltic

Why do many people fail to understand Moscow's ideas: This is the only thing for us to do, not anything else? Anatoliy Borisovich Chubays — I like and respect him, he is one of the few intelligent people there are, so to speak — declares from the platform that packages of shares in 29 enterprises are going on sale. These enterprises are in 13 regions. There has been preliminary discussion with just one head of administration. The rest learn of this from the newspapers and object. Do you want this kind of politics to go ahead? And everybody simply to salute?

[ROSSIYSKAYA GAZETA] You are the Federation Council deputy from Kaliningrad Oblast. What are things there like at the moment? The oblast has a unique, very advantageous position, but, since the law "On the Kaliningrad Oblast Special Economic Zone" has passed only its first reading, inefficient use is being made of it as yet and a lot of money that could be Russia's is going to Lithuania, for instance.

[Shumeyko] The Duma is still holding hearings about this matter. Two stumbling blocks remain: flank armaments and what our Foreign Ministry has in treaties with Germany. Duma deputies are very seriously interested in these two questions. A myth has emerged: The oblast's economy cannot be developed so long as there are armed forces there. It is impossible, it is argued, to develop a free zone in a militarized zone. This myth must be debunked. At these hearings it should calmly be proved, with pencil and paper, that the presence of such a small number of troops on the oblast's territory is no hindrance to having a free zone. This law in no way specifies what kind of free zone is wanted: a free customs and banking zone or a free production zone? It ought to be comprehensive, because Kaliningrad Oblast is located separately from Russia. They say: What is the point in making a law for Kaliningrad Oblast? Then the others will want one too. But the others will not want one, because of where the oblast is — you have to go 300 km across Lithuania to get there. Nobody else is in this position. I think the law will eventually emerge. And until it does, you are absolutely right: We are losing out on a colossal scale. We could have organized a very great many normal links via this gateway right in the center of Europe. Russia's only remaining ice-free port is on the Baltic — we must make intensive use of it. We will find ourselves in tough competition with Klajpeda and other ports in all the Baltic countries. There is a need for the law.

[ROSSIYSKAYA GAZETA] You are chairman of the Federation Council and chairman of the CIS Interparliamentary Assembly. What is your biggest headache at present in each capacity?

[Shumeyko] In the Federation Council, the biggest headache is the 1996 budget. It encapsulates all the problems, all the contradictions.

In the Interparliamentary Assembly the headaches are not so bad, but they do exist. I would like all the CIS states to be represented in it. Thank God, there has been a shift in Ukraine. Moroz is an ardent advocate of Ukraine joining the Interparliamentary Assembly. So far Uzbekistan has not joined. If everyone was represented in the Interparliamentary Assembly, things would be rather simpler, of course.

We are now trying to adopt model laws. While Russia has adopted only the first part of the Civil Code, the Interparliamentary Assembly has adopted both the first and second parts. Ratification of the second part is already under way in many countries. It appears that we are drawing closer together not at the political level, but at the economic and legislative levels. We are drawing closer quietly, without noise and dust, so to speak. But everyone realizes that the closer economic integration is, the sooner political integration will begin.

Eminences Arise in a Gray Economy

[ROSSIYSKAYA GAZETA] The other branches of power have now been joined by a "fifth" branch: the criminal one.

[Shumeyko] I have already mentioned the 10 percent of candidates from criminal structures. But I would be very careful about the word "crime." What does it mean? There is utterly black crime that can only be combated: weapons, drugs, murder. This has no right to exist in any society. There is also another type — crime in relation to the state's legislative infrastructure. For instance, there is no border between Russia and Azerbaijan. There is the Republic of Dagestan between us. It is a Russian republic, but next door, across a small river, is not Russian territory. A truck carrying goods crosses the river, sells goods on Russia's territory for our money, buys goods in our country, and takes them back. There are no customs barriers. Crime? Indeed.

We removed the border with Belarus, and contraband sales of cigarettes immediately increased in Russia.

The fact that we bury border markers and champion unity of the peoples is right and politically correct of course. But just you try to stop this crime!

[ROSSIYSKAYA GAZETA] There is also the following point. Previously, it was said, if you worked for three years as a [plant] director they would be able to throw you in jail: You would be bound to have committed some kind of offense.

[Shumeyko] Yes, because everything was prohibited and it was altogether impossible to work if you complied with everything. So we have to investigate what crime means. If, heaven forbid, people connected with "black" crime become deputies, they must immediately be swept aside. You cannot devise any solution except destruction here. But "economic" crime is known as the "gray economy" in the West. And Western theoreticians tell us: "What do you think you are up to? This is bound to happen during the transition to the market, you have to turn a blind eye to the 'gray' economy, it creates the economic infrastructure of the state." You explain to them that our morality and our entire history make it impossible to turn a blind eye. They cannot believe it. But this negative attitude is actually genetically built into us.

I also "come under fire" for this — the fact that I have never taken a kopek — in all the newspapers. The fact that I have not taken anything really bugs some people.... So they have to write that I have been on the take. They wrote that in Kaliningrad I have a dacha in Kurshskaya Kosa. You would have to be a real idiot to build a dacha in a prohibited zone.

A representative of crime — absolutely any sort — becoming a legislator is crazy. You cannot divide crime into black, gray, and white here. Both society and you, the press, must keep an eye on who is seeking to become a deputy.

Lofty Indeed

[ROSSIYSKAYA GAZETA] Does the counterweight in the form of strong regional power strengthen central power?

[Shumeyko] Of course it does. Power is a system. The system must be totally balanced. It is not for nothing that the three branches of power (admittedly they do not now carry equal weight) are separated according to the law. What is regional power in today's democratic and federal Russia? If the Federation Council consists of the heads of executive and legislative power from the regions it is a proper counterweight to the president and the government. Not counteraction, but a balance of power. The system of power becomes more effective. You can go to the Federation Council and immediately learn the reaction of the whole of Russia, as represented by persons in authority.

I have already mentioned my book. It is a critical book. I do not name any names, but I name phenomena: what we wanted and what we have got. But I am entitled to do this, for five years I myself have been involved in this together with everyone. I am not interested in the reaction to the criticism — it will be very harsh. But if you are to remain a honest man, you have to act this way. I cannot do otherwise.

[ROSSIYSKAYA GAZETA] Another book came out recently — by your colleague Oleg Poptsov, called "Chronicles of the Time of 'Czar Boris.'" It says the following about you: "He took too literally Yeltsin's remark about his presumed successor: 'The president of Russia must stand tall and eminent.'" What would be your comment on this passage?

[Shumeyko] I don't want to insult anybody. It all depends on who judges height. Maybe I do stand tall so far as some people are concerned.

That is not the point. Liking yourself is one thing. Stupid people like themselves. Being self-confident — sure. I am self-confident, I tell you that quite firmly. I know my worth. And I am marching through life with utter confidence. [Shumeyko ends]

In Place of an Afterword

Knowing Vladimir Filippovich as a cheerful and straightforward person, we asked him finally to tell us a joke.

[Shumeyko] Two peasants are walking along and suddenly fall into a pit. A deep pit. One says: "What are we going to do?" The other replies: "I know! You just sit there quietly."

Here is another joke. The dragon Gorynych attacked a village and burned it to the ground The people go running to Ilya Muromets: "Help us, Ilyusha!" "Is it a big dragon?" "Huge, it covers half the sky. It's black and terrifying and it's stealing the women!" "I'll have to have a think, guys." "How long will that take, Ilyushenka?" "A week." "But in a week it will have killed us all!"

They go running off to see Dobryna Nikitich. They tell him the whole story, and he asks: "Have you been to see Ilya?" "Yes." "What did Ilya say?" "He would have a think." "How long for?" "A week." "I'm going to have a think, too." "For a week?" "For three days." "But that is too long again!" So they run off to Alesha Popovich: "Dear Alesha, you are the only protector we have left!" And they tell him everything. Alesha shouts: "Bring me my steed! And my armor! Come here, my swordbearer!" The peasants fall to their knees: "Alesha! Aren't you going to have a think?" "What's the point? I've got to run away!"

Duma Chairman Rybkin Says Russia Needs 'Labor Party'

MM1110185895 Moscow ROSSIYSKAYA GAZETA in Russian 12 Oct 95 pp 1-2

[Interview with State Duma Speaker Ivan Rybkin by Mikhail Gurevich; place and date not given: "Bloc Emerges from Blockade" — first paragraph is ROSSIYSKAYA GAZETA introduction]

[FBIS Translated Text] It is wrong for Ivan Rybkin's center-left bloc to complain that it is not being paid attention. Virtually every week some observer produces a gloomy forecast regarding its future. But the rumors of its death have as always proved exaggerated. State Duma Chairman Ivan Rybkin, the bloc's leader, answers your ROSSIYSKAYA GAZETA correspondent's questions.

[Gurevich] Has Rybkin's bloc proved viable as an election formation and group of confederates? What will be the main item on its program?

[Rybkin] I can now say clearly that the bloc has proved viable. Its formation was democratic. People came along, studied the program, the leader's opinion, and one another's views. Some left, and that is their right. But over 50 movements, associations, trade unions, and associations of various kinds stayed. I can say that the bloc is working successfully in this difficult election campaign. And I am convinced that we are just bound to get through the 5-percent barrier. We have the support of agrarians, trade unions, entrepreneurs, industrialists, bankers, and, most importantly, voters.

In our program we have singled out five principles: social justice, order, citizens' personal security, construction, and realism. Our program is different from the declarations made by other parties, association, blocs, bloclets, and cells in that for the last few years my colleagues and I have been implementing firmly and consistently the ideas that we have conceived. We will certainly carry out our current plans. The bloc comprises people who have real action to their credit over many years, people with tremendous experience of governing regions large and small and collectives — engaged in production, science, higher education, culture, and state organs of power. There is a mixture of age groups: the wisdom and experience of the old; middle-aged people with a mature approach who still have a good bit of life left in them; and young, thrusting, energetic people. The bloc includes the Russian Youth League — the largest youth organization. Little attention is now being devoted to young people; everything has been let slip. The elderly and middle-aged are indebted to young people since they have helped us in the past.

[Gurevich] Whom do you see as the bloc's partner?

[Rybkin] Our partners are people whom we know, those with whom we cooperate and have long-standing relations: namely, the Agrarian Party, "Women of Russia," and many social democratic associations that are taking part in the elections. God knows what kind of success they will have, whether they will collect the required 200,000 signatures. Our bloc has collected nearly 250,000, and quickly at that.

[Gurevich] There is no authority without a strong party. Do you not want to set up your own party — not an electoral bloc, but a party? If you do, what will you call it? And what are your personal plans?

[Rybkin] I think that there should be a party. Right now I would be wary of giving it a name in order to prevent the name turning up later somewhere else. Although Yuriy Vladimirovich Petrov, my colleague in the bloc, and I have been discussing this since 1991. There are like-minded people and painstaking, unhurried work is under way. A labor party is needed to represent the working man and defend his rights.

I am standing in a single-seat district — I was nominated by my fellow inhabitants of Voronezh, who have known me since I was a babe in arms. In all 9,000 signatures were collected in three days — how can the bloc be weak? I had 16 rivals. I said to myself: "I must stand and I must win."

If I see that there are intelligent, practical people who can go further and have a broader outlook, undoubted talent, and all the qualities required to be chairman of the Duma, I will definitely give up my post; but if I do not, you understand what I am driving at.

[Gurevich] The last session of Russia's Fifth State Duma is under way. What issues and draft laws will you be putting first?

[Rybkin] Priority is being given to all the social laws. Needless to say, we will try to ratify the draft 1996 budget. We must not leave it until next year, for the next Duma.

[Gurevich] A few days ago a session of the Russian Federation Presidential Council for Local Self-Government was held. You and the prime minister, who is also the leader of an electoral association — "Russia Is Our Home" — cochair the council. Do you see local self-government as the basis of a revived authority today?

[Rybkin] This is a key question for the country now. There will not be a strong center or a strong unified Russia without strong, autonomous regions. Everything cannot be seen from Moscow, and the regions need to be given the maximum autonomy. At the same time the federal center must be concerned with pursuing a unified policy for the whole state. The Federation Council must be formed immediately 13 December and comprise the regional elite: the heads of legislative assemblies and local administrations. It must coordinate interests and decide which powers of authority should be given to the center and which should be left at local level. Then every local administrator must realize that he cannot see everything from his capital either — whether it be the capital of a republic, a kray, or an oblast center. That is when local self-government structures start to emerge.

It is my profound conviction that some local self-government should have state support — both in the federal budget and in the regional budget. The rest will come from the local self-government unit itself and self-funding.

The council session discussed at length how to make self-government better and more effective. People's creativity must not be curbed in all its endeavors; initiative must be unleashed. It is necessary for people to comprehend and accept the ideas of reform and the ideas of local self-government.

Needless to say, it is not all that easy. But Tyutchev said that Russia has one ally, namely history. And for centuries history has resolved all the ordeals that have beset Russia in its favor. That will happen this time too.

Skokov Interviewed on KRO, Lebed, Yeltsin

MK1010064795 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 67, 1-8 Oct 95 p 8

[Interview with Yuriy Skokov by Aleksandr Zhilin and Sergey Yastrebov: "I Have Never Enjoyed the Support of Influential Patrons"]

[FBIS Translated Text] There have been many rumors about Yuriy Skokov, leader of the Congress of Russian Communities [KRO], making a comeback soon to a position of power as prime minister. MOSKOVSKIYE NOVOSTI [MN] correspondents asked the KRO leader himself for comments on these rumors.

[Skokov] All these rumors are absolutely groundless. I did not meet with the president, and we had no discussions whatsoever on my appointment as prime minister despite what is being said today on television and written in the papers. In a word, as far as I am concerned, no change of position is in the offing. Whether the president will continue to work with Chernomyrdin or whether he appoints someone else is the president's constitutional right. What I cannot understand is why my name should have been bandied about of late absolutely without any grounds. Yes, there are indeed serious differences between myself and Chernomyrdin; and yes, I indeed disagree with the current government's policies, which I openly declare.

[MN] That is to say, you do not intend to link your political future with the present authorities. If the KRO wins the elections, in what role do you see yourself?

[Skokov] Today I am working so as to conduct the election campaign in an organized and sensible manner and to secure the greatest possible number of votes and seats in parliament. After the Duma elections it will be possible to speak of the KRO's political prospects and its leaders, while now it is not serious to let one's imagination get carried away on this subject. Going into the elections, we are putting forward two fundamental tasks connected with our country's national interests. First, we all have to survive under these difficult conditions. Second, to protect Russia as a single state. I am not worried what position I will hold after solving this two-pronged task.

[MN] Your record of service indicates that you have never emerged in a top position in big-time politics, remaining in secondary roles. You invited Aleksandr Lebed into the KRO. Does this mean you are prepared to once again retire into the background?

[Skokov] The notion of "first-second" in politics is conventional. If a team is playing on the political field, the important thing is to benefit from the strong points of each player. I worked in Boris Yeltsin's team and saw the way the people idolized him at that time, and my task consisted of helping the president, and I was not worried about being first or second.

My relationship with Aleksandr Lebed is somewhat different. We are partners who are working together to create a team capable of solving the tasks I spoke of earlier. If we manage it, this will be our shared victory, and it is absolutely unimportant who of us is first and who is second. We have no differences in this respect. I value Aleksandr Ivanovich for his decency, natural intelligence, ability to take responsibility, and his ability to learn on the hoof, as they say. I think he has very good political prospects. True enough, some people always want to cause a quarrel between us, but they will not succeed and, I think, they will not succeed also thanks to Aleksandr Ivanovich's being levelheaded.

[MN] Do you think there are influential people who are deliberately nurturing the KRO to create a counterweight to Viktor Chernomyrdin's bloc?

[Skokov] I wish someone knew how much effort it cost me to create the KRO! I have never enjoyed the support of influential patrons, perhaps because I have always been inconvenient for bosses. But then I have never become dependent, and today I know I am absolutely free in my actions.

[MN] Nevertheless, you have friends in the Kremlin....

[Skokov] Yes, for example, I have friendly relations with the president's first aide Ilyushin; I have good contacts with other members of the presidential team. But no more than that. All reports about the present authorities supporting the KRO are outright insinuations.

[MN] What is the KRO's financial basis?

[Skokov] In addition to the funds appropriated for the elections under the law, we count on support from those who share our program objectives. An appeal has been drawn up to many juridical organizations and structures asking them for help. I would like to note that such support is being felt. For example, we gathered signatures at no cost at all in record time.

[MN] The KRO is counting on what is usually called the national-patriotic idea. However, after your visit to the United States, radical patriots came to suspect you of connections with "world Zionism" and American capital. Are the "colleagues'" suspicions disconcerting for you?

[Skokov] I went to the United States to uphold my own country's interests. I said there that it is impossible not to reckon with Russia in solving important international problems. A direct military-political standoff between our countries will not lead to anything good. It is indeed unknown who would lose more in that, Russia or the United States. But generally, I am not interested in the views of people who confuse patriotism with idiocy.

[MN] Your attitude to the president?

[Skokov] Boris Yeltsin is the people's choice. Therefore, all of us are responsible for what is happening in the country. The president is our country's symbol, and I do not share the hysterical wails to the effect that a trial should be instituted against him. Whether the choice turned out good or bad is the problem of those who voted. One should think before casting a ballot, not after....

Need for CIS Security System Viewed

MM1110150395 Moscow KRASNAYA ZVEZDA in Russian 7 Oct 95 p 3

[Article by Colonel Nikolay Khomchenko and Major Igor Bizyuk of the Russian Federation Armed Forces General Staff: "All Is Not Yet Lost; Polemical Notes on Some Aspects of Military Cooperation Within the CIS Framework"]

[FBIS Translated Text] The further the time of the CIS' disappearance from the world map recedes from us the more clearly there emerges in the consciousness of people living in the post-Soviet space the thought that we have all lost out. After all, it is no secret that the former union republics are experiencing increasing difficulties both in establishing their statehood and in developing political, economic, military, and other relations within the CIS. Considering the specific nature of the newspaper, let us dwell in more detail on the military aspect of these relations.

Questions of military-political cooperation within the CIS framework, as we know, have been reflected in the collective security concept approved in February 1995. But today that is no longer enough because alongside the integration processes in Europe there is also an intensification of the military threat there. It is not out of the question that we could become witnesses to the emergence of a new world order (the expansion of NATO's borders to the East) which will be more dangerous than the one which existed previously. Is it not time under these conditions to move from slogans and promises to each other to real deeds — to the creation of an effective mechanism for collaboration between states which actually complies with the collective security treaty? Historical experience shows us that however powerful a state may be it cannot safeguard its security alone — for that it must have strategic allies. Is this problem resolved by the existing "Partnership for Peace" program? Hardly, since it does not offer equal cooperation and consequently cannot fully safeguard the interests of Russia and the other CIS countries (and ultimately their security). In our view the most acceptable thing in this case is to seek to safeguard our own security in conjunction with our existing "genetic allies" who are the majority of republics of the former Soviet Union.

Problems exist here too. But many of them are artificial and are of a subjective nature, proceeding from specific forces which in their majority are pursuing populist aims and also from the imperfect legal norm base. We can be convinced of this if only from the example of the operational equipping of the CIS countries' territory. It seems to us that it is here that all the prerequisites exist for integration. The existing military infrastructure bequeathed to the countries from the USSR and in its majority of the same type and locked into a single system combined with the Russian infrastructure would in general terms make it possible to safeguard those countries' security. To proceed along the path of accession to NATO would essentially mean totally restructuring the existing system of military infrastructure installations (since such an alliance presupposes the standardization of weapons, military equipment, and all servicing systems). And that would mean rejecting the approaches we have formed toward the development of military-technical thinking (the so-called military-technical policy), enormous financial expenses, and the loss of jobs in the military-industrial complex. Moreover, there are no guarantees that this alliance would indeed fully safeguard our interests.

During the time of the CIS' existence many of its members have become convinced of how hard it is to implement their own independent policy and safeguard and protect their own interests in the world community without having an adequately reliable guarantor of their own security in the shape of the armed forces. In the absence of a firm economic base and the necessary experience in building a national army it is hard not only to create armed forces meeting modern requirements but also to ensure the maintenance and retention of the little that is still left since the division of the USSR Armed Forces (weapons, military infrastructure, and so forth). Subsequently far larger funds for restoring, for instance, the necessary military infrastructure installations will be required than now. So their conservation, development, and improvement are possible only by joint efforts. Naturally the approach toward this issue should be mutually advantageous and interdependent for all CIS countries so that it is possible to safeguard the security both of all members of this alliance and of each of them.

Here we can cite the experience of constructing, modernizing, and making joint use of military infrastructure installations by the states which used to belong to the Warsaw Pact. In the Warsaw Pact countries, as we know, this question was closely linked with the USSR Armed Forces groupings deployed on their territories. The plan for operational equipping of the territories of these countries provided for bilateral agreements between the Warsaw Pact states for the creation of military infrastructure installations since it was proposed to use these states' armed forces in conjunction with the groupings of Soviet troops there. On the territories of these states a well developed network of military infrastructure installations was created in some places jointly, in some places only with the Soviet Union's funds, backing up both the troops' daily activity and the implementation of operations, including strategic operations, by the joint groupings. The Warsaw Pact countries' military infrastructure largely accorded with the approaches of the Soviet Union the only difference being that it was proposed to use its installations primarily in the interests of the groupings of Soviet troops which were located there and were fulfilling a collective task. The withdrawal of the Soviet (Russian) troops from East Europe has shown that at that period the question of financing these measures was not specified and agreed. As a result of which we were obliged, when the troops were withdrawn, to leave behind most of the installations of our own or the joint infrastructure, receiving nothing in return at home (apart from some housing for the families of servicemen).

Considering this experience within the framework of collective security, in our view it is essential to determine in advance the solution of a number of priority tasks concerning the operational equipping of the territory.

First of all in elaborating agreements on the joint use, development, and improvement of the military infrastructure the contracting sides must speak "the same language." That is it is essential to have a document (memorandum) which would determine common concepts, provisions, and terminology in the field of the operational equipping of the country's territory and not allow them to be interpreted arbitrarily. Thus it is a case of creating a unified legal norm base for the CIS countries which would include initially at least a minimum list of information concerning this issue. The mechanism and procedure for compiling this list could be determined on the basis of the elaboration of unified views of this issue.

The need also arises to introduce the relevant changes and additions to legal norm acts of the CIS states already in operation concerning questions of the mutual use of military infrastructure establishments and the deployment of armed forces on the territory of other states. As we know, the constitutions of a number of CIS countries (Belarus, Moldova) rule out the presence of foreign states' armed forces on their territories and the location of foreign bases and other military infrastructure establishments. Naturally difficulties could arise when these states' legislative organs ratify agreements with other countries (including Russia) on the creation of a unified system of military infrastructure installations.

That is a question for the legislative authorities. At the same time we must realize that a collective security treaty can hardly be considered effective unless it provides for the joint use of the military infrastructure. We must also determine the legal status of military infrastructure installations which could be used in the interests of collective security: Either they will be national installations made available for use by other CIS countries or they will be installations which are jointly created on the basis of the proportional participation of each country. And perhaps on the basis of the most important and complex military installations (for instance special strategic nuclear forces installations, ABM, aerospace defense system, and other installations) situated on the territory of other CIS countries it would be expedient to create Russian military bases which would function in the interests of all CIS countries. In any case the procedure for creating and using military infrastructure installations should be determined within the framework of the collective security treaty (as an appendix to it) or on the basis of bilateral (multilateral) treaties between the CIS countries. International experience in the creation and joint use of military infrastructure installations is probably also of interest here. For instance, the status of U.S. bases and installations abroad is regulated by many bilateral and multilateral agreements and accords, to wit — treaties on the lease of a territory, treaties and agreements on mutual security and defense, agreements on the location of military bases and military infrastructure installations between a military-political alliance and its individual members....

In our view multilateral (collective) treaties and agreements on mutual security and defense signed within the NATO framework merit particular attention. They determine primarily the alliance's collective tasks: the procedure for deploying troops on foreign territory, for the use of bases, military infrastructure installations, sectors of terrain, and responsibility for ensuring the defense of a particular NATO zone, and others. For the successful implementation of these tasks an agreement is signed between the countries specifically involved (as a rule this agreement is between two states at government level) which also stipulates the specific details of their joint activity. As a result the agreements signed by the countries belonging to the same alliance, bilateral in form and collective in content, are the implementation of the bloc's common plans and tasks. As we can see the range of cooperation in the mutual use of military infrastructure installations is very wide. But agreements in the field of the operational equipping of territory are not enough on their own. For their practical implementation, as we can see from the proposed scheme [the article is printed around a diagram showing the various subdivisions of the CIS states' collective security council] the relevant structures in the organs of military management of the states united by the collective security treaty are required. In our opinion the following tasks should be assigned to these structures:

— the leadership of the carving up of the geostrategic space of the territory of the treaty's signatory states;

— the preparation of recommendations for the leadership regarding the determination of strategic orientations;

— the organization of collaboration with general (main) staffs of the CIS states' armed forces for the joint use, construction, and modernization of military infrastructure installations.

This work should obviously be based on the planning of measures for the operational equipping of their territories in national interests and in the interests of the security of the entire CIS within the framework of the joint program for the development of the military infrastructure.

The next, no less important, task is the restoration of the single strategic space of the CIS states which are signatories of the collective security treaty. The solution of this global task is connected primarily with the conservation and now the restoration of military infrastructure installations ensuring warning against a missile attack, the management of strategic and operational intelligence, and the implementation of space and air defense.

The first steps in this direction have been taken — documents have been signed on the creation of a unified air defense system (including the infrastructure) for the CIS countries. It has turned out that many states cannot independently cover the air space above their territory (vast regions have been outside radar observation and control). Approximately the same situation is taking place in the system of communications, hydronavigation, and the transport complex, which also requires the creation of similar systems within the CIS framework.

There is another path — the creation of duplicate military infrastructure installations on their own territories to replace those left on the territories of other CIS countries. But right now that is a difficult task to perform.

And one last point. We cannot view the collective security system of the CIS countries as a counterweight to the NATO bloc that exists at present. At the same time this is not an "elite club for selected states." Here, we think, there will be room for all those who want to join, including those from East Europe because, apart from geopolitical proximity and interdependence, these CIS states and countries are linked by over 50 years' experience of their integration. And as of today there are still enough points of contact for fruitful cooperation on fundamentally new and mutually advantageous terms, including in the military field.

ITAR-TASS Carries Press Review for 13 October

LD1310071695 Moscow ITAR-TASS in English 0703 GMT 13 Oct 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW October 13 (ITAR-TASS) — Most Moscow-based Russian newspapers focus their attention on the problems of Chechnya.

OBSHCHAYA GAZETA runs an interview with Arkadiy Volskiy, Deputy Leader of the Russian delegation at the talks in Chechnya, who, in response to a question about the assassination attempt against General Romanov, stated as follows: "It is possible to speak in earnest about a third force (in Chechnya) only when investigation is conducted reasonably but then one should want to conduct it.

"There were obvious traces — 250 metres of wire from the land mines to the detonator. Shortly before the assassination attempt against Romanov, a vehicle of Russian Chief Negotiator at the talks in Groznyy, Mikhaylov, was fired upon precisely from the bridge in Minutka square, under which the land mine was blown up. The press kept silent about that, although the vehicle was badly damaged. Luckily, no one was killed. Mikhaylov did not report the incident. After that, armoured personnel carriers and patrolmen were posted on the bridge. Why then were they removed several days before the terrorist act against Romanov?"

NEZAVISIMAYA GAZETA carries an interview with General Aslakhanov who believes that "(Dzhokar) Dudayev is ill with Bonapartism".

"Dudayev is the number one enemy of the Chechens. He is a Soviet General who is well aware that it is impossible to defeat a Soviet army and that the army is enraged as a result of incessant humiliations and will use firearms indiscriminately as far as possible.

"But Dudayev all the time tried to unleash a war as was demanded by his Moscow masters who armed him from head to foot. The Chechens did not want a war. They did not elect Dudayev. Only the one who does want to know is oblivious of the truth about those elections. He has never been the leader of the nation".

RABOCHAYA TRIBUNA runs an interview with Chechen parliament chief Doku Zavgayev. He believes that "even among those, who are referred to as Dudayev militants, there are many people who took up arms only because their close relatives had been killed and their houses destroyed. This is why explanatory work among the population should move to the fore in Chechnya".

IZVESTIYA states that "it was Federal forces, namely military aircraft that bombed Roshni-Chu village in

Urus-Martan district, that put Russia on the verge of a new flare-up of full-scale war in Chechnya.

"This was a real present to mutinous Dudayev, an excellent pretext to declare termination of further talks on peace terms and speak about Moscow's unwillingness to observe the already reached accords and a new factor inclining in his favour even those Chechens who until recently were loyal to Moscow and opposed the general's regime."

TRUD reports the start of the operation Poisk (Search).

"We address you, the mothers of Russia, whose children have become victims of the undeclared war in Chechnya. Your participation in the operation Poisk is necessary not only for yourselves. It will help to see the stark realities of this cruel slaughter," the newspaper writes.

ROSSIYSKAYA GAZETA devotes attention to false avisos, the letters of advice, that come in from Chechnya and enable criminal elements to get rich by getting huge funds from the Treasury.

"Over the past year and nine months alone, investigators have referred 12 cases, involving 57 defendants, to lawcourts, retrieving more than 47,000 million roubles in already stolen amounts and preventing the stealing of another 50,000 million roubles.

"Let us recall that the same months saw the lack of money for a timely payment of wages and salaries to the miners and teachers, pensions, and interruptions in financing rehabilitation work in Chechnya. Thieves, as we see it, have no such problems. The money bag is always open for them".

ROSSIYSKIYE VESTI runs an interview with Nikolay Malyshev, leader of the Centre of Presidential Programmes, who points out:

"We have many programmes but the country is experiencing a crisis. Reforms are skidding. Production downturn continues, agriculture is in a serious position. Mutual debts have spread over even to the sphere of interbank settlements... The government does it utmost to keep the depressive economy afloat, and tackle current tasks with an eye to long-term prospects".

KRASNAYA ZVEZDA on the safety of military service.

"Ensuring the safety of military service involves a complex of measures which must be taken by all state structures without exception," Lieutenant-General Vladimir Kulakov, Head of the Russian General Staff Department for Force Management and Safety of Military Service.

"Only in that case the military service safety system which is being established will bring tangible results, and the armed forces will cease being unfoundedly reproached that it is dangerous to send sons to the army," General Kulakov emphasised.

KOMSOMOLSKAYA PRAVDA carries a large interview with former KGB Chief Vladimir Kryuchkov.

Moscow Favors World's 'Impartial Approach' to Croatia

LD1210203395 Moscow INTERFAX in English 1914 GMT 12 Oct 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Oct 12 (INTERFAX) — The Russian Foreign Ministry's spokesman Grigoriy Karasin said Russia favored a well-thought-out and impartial approach of the world community towards all illegal actions committed in the former Yugoslavia "no matter which party to the conflict has launched them."

Karasin praised the statement made by the chairman of the U.N. Security Council on October 3. The U.N. Security Council's head said he was seriously concerned about the actions of the Croatian authorities towards refugees staying in Croatia, towards "both the Serbs expelled from Krajina and the Moslems threatened with an expel to Bosnia."

Karasin repeated that Russia had proposed the draft of this statement to the U.N. Security Council on September 29.

Karasin said that the document "highlights the inadmissibility of returning refugees by force to the areas which they have left." He said the document underlined that such actions ran counter to the Geneva Convention of 1951 which had also been signed by Croatia.

Karasin said the U.N. Security Council's statement "demands that the Croatian government put an end to all actions violating human rights and respect the rights of the local Serbian population." He said the U.N. security Council "urges Zagrev to continue providing shelter to all refugees regardless of their ethnic affiliation and to remove all restrictions concerning the time for the return of refugees."

Gromov Cited on U.S, NATO 'Contempt' for Russia

LD1210212495 Moscow INTERFAX in English 1924 GMT 12 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 12 (INTERFAX) — General Boris Gromov, leader of the My Fatherland movement, believes that the talks between Russian and U.S. defense chiefs Pavel Grachev and William Perry have emphasized the depth of contempt the U.S. and NATO feel for Russia.

"The plane with the Russian defense minister had barely taken off after all the smiles, speeches, glasses of champagne and handshakes when the U.S. and NATO carried out air strikes against the Serbs to show who is who in the Balkans and in Europe," Gromov told a correspondent at My Fatherland's press office.

A transcript of the interview was made available to INTERFAX Thursday.

Gromov believes that meetings of this kind harm Russia's political and military interests.

NATO, Gromov believes, should end the air strikes and the UN should stop using double standards in Bosnia-Herzegovina.

Soskovets on Possible Cooperation With Cuba

LD1310052795 Moscow ITAR-TASS World Service in Russian 2347 GMT 12 Oct 95

[By ITAR-TASS correspondents Oleg Velichko and Konstantin Zhukovskiy]

[FBIS Translated Text] Havana, 13 Oct (ITAR-TASS) — During the Russian delegation's meeting with Cuban leader Fidel Castro, the prospects for bilateral cooperation in the near future were discussed. Oleg Soskovets, first deputy chairman of the Russian Federation government, reported this on Thursday at a meeting with Jose Luis Rodriges, Cuban minister of the economy and planning.

According to the first deputy prime minister, the proposals of the Russian side regarding the prospects for bilateral cooperation were formulated in a message from the president of Russia which had been handed to Fidel Castro the day before. "Both states have chosen the only correct path in their mutual relations, aimed at integration into the world economic system," he stressed.

Russia is not reckoning, he noted, on cooperation with Cuba providing immediate "crazy profit." Oleg Soskovets sees the main task today as that of seeking mechanisms and possibilities for bilateral cooperation. "For Russia, Cuba is a strategic partner with deep-rooted traditions," he stressed. The first deputy prime minister proposed to the Cuban side that the possibility of setting up joint structures, banking structures among them, should be examined. A Russian-Cuban joint enterprise is already to be set up at the end of this year in Cienfuegos on the basis of the oil-refining combine, and a similar project is to be implemented in Santiago de Cuba at the beginning of next year.

At the talks, the Cuban minister told the Russian delegation about the situation on the island, having stressed the great economic and financial difficulties. In future, when Cuba will be able to restore its economic potential, it will be possible "to talk about cancelling debts," he explained. The minister stressed the importance of the

Russian market and promised Russian financial structures assistance within the framework of the banking reforms expected here.

Meets Cuban Armed Forces Minister Castro

LD1310063595 Moscow ITAR-TASS World Service in Russian 2310 GMT 12 Oct 95

[By ITAR-TASS special correspondents Oleg Velichko and Konstantin Zhukovskiy]

[FBIS Translated Text] Havana, 13 Oct (ITAR-TASS) — Oleg Soskovets, first deputy chairman of the Russian Federation government, who is here on an official visit, met Raul Castro, minister of the Revolutionary Armed Forces of Cuba, on Thursday.

During the meeting, the sides discussed in detail issues relating to Russian-Cuban cooperation in the military sphere. The subject of the Russian radioelectronics center situated not far from Havana occupied a special place in the talks. The problem of financing this facility in the coming year was examined in particular.

According to information received by ITAR-TASS from a source in the Russian delegation, Moscow intends to offer Havana a draft agreement on setting up joint enterprises in the military sphere, including a specialized center for repairing special equipment. To all appearances, the sides are limiting themselves solely to discussion of the Russian proposals within the framework of the first deputy prime minister's visit, and the military departments of both countries will be engaged directly in signing them.

Cuba Visit Said To Shift Foreign Policy

MK1310091295 Moscow NEZAVISIMAYA GAZETA in Russian 12 Oct 95 p 1

[Report by Aleksandr Zhelenin under the "Visit" rubric: "Soskovets in Cuba. A New Turnabout in Relations With the Island of Freedom"]

[FBIS Translated Text] To all appearances, the five-day official visit to Cuba by First Deputy Prime Minister Oleg Soskovets, which began on 10 October, will not only be a new milestone in relations between the two countries, but will also become an integral part of the process of revising Russia's foreign policy doctrine.

Such a conclusion can be drawn if only from the visit's stated objectives, such as the signing of a protocol on trade turnover and payments for 1996-1997, which calls for Russian oil deliveries in exchange for sugar, and a memorandum on cooperation in the peaceful use of nuclear power. Talks will also be held with the Cuban leadership on cooperation in the production and refining of oil and gas, and also on the nickel industry. Therefore, the issue is thawing and restoring, virtually to the full extent, former economic — and not only economic — relations.

This is attributable first of all to purely practical reasons: Since sugar production in Russia and Ukraine is on the decline, it should be imported, cheaply if possible. Evidently, buying sugar from Cuba is still profitable, even if one has to pay for it with oil.

But the most sensational news concerns the resumption of military-technological cooperation with the Island of Freedom. If this really happens, one can state that in its bid to restore relations with its former allies, Russia is beginning to act proceeding from its own interests. During the Soviet era cooperation with Cuba was mandatory for the USSR for ideological reasons, just as after 1991 precisely the same reasons caused a drastic scaling down of ties. Ideological premises have changed, but not so the approach.

Soskovets' visit may mark the adoption of Russia's first new role since 1991, which manifests itself in a much more independent policy on the international scene — in deed, not just in words.

It is quite possible that the resumption of military cooperation between Russia and Cuba has been prompted by the plans for NATO's eastward expansion. In this regard, the Russian move to meet Cuba half way appears to be fully logical.

Karasin on Border Guards' Attacked in Tajikistan

LD1210151195 Moscow ITAR-TASS in English 1412 GMT 12 Oct 95

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW, October 12 (ITAR-TASS) — "The Russian Foreign Ministry assesses the attack on Russian borderguards in Tajikistan as a planned criminal action, and puts all the blame for it on the leadership of the Tajik Islamic Revival Movement (IRM)," ITAR-TASS was told today by Head of the Foreign Ministry's Information and Press Directorate Grigoriy Karasin.

As earlier reported, a vehicle, carrying servicemen from the group of Russian borderguards in Tajikistan, was fired upon on October 10. Seven men, including four Russians and three Tajiks, were killed. Four other servicemen were wounded. The fire from small arms and heavy weapons was opened by a group of IRM men, commanded by Said Afzali.

The official spokesman of the Russian Foreign Ministry drew attention to the provocative nature of the incident, noting that the purpose of this tactic, to which the Tajik opposition is resorting, is to "make the Russian border guard troops give up the protection of Tajikistan's border with Afghanistan, to open it up for the invasion of armed extremists from Afghan territory, and finally to forcibly seize power in Tajikistan".

According to Karasin, the fire opened on Russian borderguards "calls in doubt the readiness of the Tajik opposition to settle the intra-Tajik conflict on principles stipulated in the agreements, reached with the government of Tajikistan", which rule out the use of armed force. The opposition's attitude to the commitments, which it has assumed during the talks held under U.N. aegis, can only complicate the achievement of final agreements, the spokesman pointed out.

"Hand in hand with other CIS states, the Russian side will go on taking all the necessary measures to ensure the protection and security of Tajikistan's border with Afghanistan," Karasin stressed. He pointed out that further assistance would be rendered to the Tajik government and that sorties against Russian borderguards "will be suppressed by every means that may be deemed necessary".

The Russian Foreign Ministry urges the United Nations and the states, which have sent their observres to the intra-Tajik talks, to make an objective and principled assessment of the latest provocative action. The ministry deems it necessary to secure the earliest possible resumption of the talks under U.N. aegis and to ensure a scrupulous observance of the agreements reached during the negotiations. The Russian side, as before, is ready to render all the necessary assistance "to the dialogue for the sake of national reconciliation in Tajikistan".

U.S. Official Cited on Pipeline From Azerbaijan

LD1210224095 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 12 Oct 95

[From the "Vremya" newscast]

[FBIS Translated Text] If the political situation in Afghanistan has adopted features of the Balkan crisis, then Turkey two days ago considerably strengthened its position in the region. This became obvious after the international oil consortium decided that oil from the Caspian Sea would be pumped from Azerbaijan along two pipelines — Georgian and Russian. Ankara is banking on the prospect of extending the Georgian route to the Turkish port of Ceyhan on the Mediterranean Sea to redirect the transportation system of Caspian oil from Russia to Turkey. The United States also supports this position but has not yet rejected the northern Russian option on purely pragmatic grounds.

[Correspondent Sergey Goryachev] This is one of the most important departments in Washington, responsible for not only oil and gas but also nuclear energy and everything to do with it. That is why they speak Russian here.

[Begin recording] [Unidentified U.S. official] We consider that the decision of the consortium of 11 companies puts forward a positive result for everyone. One can say that all participants, all countries in the region win this way.

[Goryachev] Robert Burrows is a senior aide to the Secretary of Energy of the United States. Why has President Clinton personally intervened? He telephoned the leaders of Azerbaijan.

[Official] We do not consider that to be intervention. Our president telephoned Aliyev and other leaders regarding various issues.

[Goryachev] As Robert Burrows says, the position of the president was thus from the very beginning: We need two oil pipelines simply so that various countries can get the economic benefit. The United States is interested in the success of its own companies abroad — again, one of the eleven participants in the consortium is U.S. The United States would like to see the dual route system in other similar projects.

[Official] We have to have several pipelines, one of course for Russia and through Russia and the second maybe through Turkey, not only for the oil in Azerbaijan but in the whole region, I mean, oil in Kazakhstan, in the southern areas of Russia and other oil fields. [end recording]

[Goryachev] The U.S. press these days is concentrating its attention on politics. According to THE WASHINGTON POST, the second pipeline is needed to support Turkey, a member of NATO. This weakens the influence of Russia on the southern republics of the former Soviet Union. Pressure from the Clinton administration is not seen as anything bad. When the global interests of the United States are affected then it is worth getting on the phone to help your own and yourself. [video shows U.S. official, maps, stills of Clinton, and oil field installations]

Russian Debt Repayments to U.S. Rescheduled

MM1310110095 Moscow IZVESTIYA (Financial Section) in Russian 13 Oct 95 p 1

[RIA NOVOSTI report: "Russian Debt Repayment to the United States Deferred"]

[FBIS Translated Text] Russian Finance Minister Vladimir Panskov and U.S. Secretary of the Treasury

Robert Rubin have signed an agreement rescheduling payments on Russia's foreign debt to the United States in 1995. This has been announced by the U.S. Department of the Treasury Information Service. According to its figures, Russia was to have paid the United States $64 million this year as repayment of its total debt, which had reached $6.3 billion by the end of 1994.

Russia To Supply Boosters for U.S. Missiles

LD1310070395 Moscow ITAR-TASS in English 0657 GMT 13 Oct 95

[By Vitaly Chukseyev]

[FBIS Transcribed Text] WASHINGTON, October 13 (ITAR-TASS) — Ballistic missiles of the former Soviet Union will compete with American missiles in launching payloads into space. Following long and difficult talks in Geneva President Bill Clinton approved a policy recommended by his aides for science and national security.

Russians are prepared to revamp and rename as Start their SS-25 missiles for peaceful uses. Although, the new U.S. policy covers all foreign-made boosters, for the start it will apply to Russia and Ukraine.

In addition to the Start booster, Russia is prepared to supply the refurbished SS-19 renamed Rokot, and Ukraine, which is seeking access to the American markets, offers the SS-10.

The first American company to use a Russian booster is EarthWatch Inc., which intends to launch its first commercial satellite in the first half of next year.

The Space News weekly, which reported the move does not conceal that the American booster makers are not happy about the news. Their representatives conducted an intense lobbying campaign to prevent competitors from entry to American markets. The corporations Orbital Sciences and Lockheed Martin were particularly concerned.

The U.S. President is expected to issue a special ordinance in November to provide for the use of foreign boosters in the United States in line with the existing bilateral commercial agreements on space problems.

The United States has agreements of this sort with Russia and China. EarthWatch officials said the launch of their satellite with the help of the Start booster will cost, per one pound of payload, just as much as with the help of the Launch Vehicle offered by Lockheed.

Along with this, the Space News weekly reports that the U.S. Administration is taking steps to protect the interests of American manufacturers: Russia has been granted the right to launch not more than eight Western satellites to the year 2000.

Further on Barents Sea Regional Council Session

MM1310105295 Moscow IZVESTIYA in Russian 13 Oct 95 p 3

[Report by Marat Zubko: "Let Us Fly to the Arctic with Our Northern Neighbors' Help"]

[FBIS Translated Text] Helsinki — During the third session of the Barents-European Arctic Regional Council in the Finnish city of Rovaniemi, the foreign ministers of Norway, Russia, Finland, Sweden, Iceland, and Denmark have advocated the unprecedented development of a transportation network in Europe's polar regions:

"To continue the Murmansk (Russia)-Kirkenes (Norway) railroad and to modernize the highway between the two cities. To build a highway between Petrozavodsk and Parikkala in Finland.

"To develop the so-called 'Barents Corridor,' envisaging the construction of a railroad between the Finnish town of Salla and Alakurtti in Russia, as well as the 'Arkhangelsk Corridor,' building two railroads.

"To build a new Russian port with oil and gas terminals at Linakhamari in Pechenga Bay. To modernize the commercial ports of Murmansk and Arkhangelsk.

"To improve air transportation on the Lulea (Sweden)-Rovaniemi (Finland)-Murmansk-Arkhangelsk route. To carry out work to modernize airports at Petrozavodsk, Arkhangelsk, and Murmansk...."

Joint programs are also being proposed in the sphere of power generation, telecommunications, and the modernization of a number of enterprises that pose a threat to people and the environment. The Barents Council approved the signing by Norway and Russia of an agreement to modernize the foundries at Nikel and Pechenga.

Needless to say, the question arises of just who will pay for all this. The Council appealed to national and international financial institutions. There is hope of aid from the EU, whose representatives attended the meeting.

The ministers were particularly concerned about the problem of recycling the decommissioned nuclear submarines which, as is well known, have built up at naval bases in northwest Russia.

Next spring, the meeting participants noted, the "clearing up" [sanatsiya] of these Russian submarines should begin. Touching on this acute problem, Swedish Foreign Minister Lena Hjelm-Wallen stated:

"The recent incident involving the cutting off of power to Russian submarine reactors shows that the nuclear safety issue is very topical."

Different countries take it in turns to chair the Barents Council. Finnish Foreign Minister Tarja Halonen has handed over her powers to the new chairman, Andrey Kozyrev.

Anti-Poland Sanction Rumors 'Greatly Exaggerated'

MM1210145895 Moscow IZVESTIYA in Russian 12 Oct 95 p 3

[Report by Maksim Yusin: "Economic War Against Poland? Rumors Greatly Exaggerated by One Unscrupulous Journalist"]

[FBIS Translated Text] Last week Russian-Polish relations went through some difficult moments. The Krakow radio station RMF reported to its listeners that Moscow was preparing to introduce economic sanctions against Warsaw, citing some very telling statements by Deputy Foreign Minister Sergey Krylov as confirmation of this.

The author of the material, RMF's Moscow correspondent, made the following sensational statement, quoting sources in the Foreign Ministry: Displeased with Poland's attempts to join NATO, Russia was considering the possibility of scaling down economic cooperation with Poland, and, in particular, of freezing construction of a gas pipeline intended to supply Russian gas to West Europe via Polish territory. The information on the impending sanctions was followed by a quote from Sergey Krylov: "Surely the Poles need this gas pipeline? Surely they need the Russian market?" The suggested conclusion was clear: The deputy minister was openly threatening Warsaw.

Persistent attempts by Polish journalists accredited in Moscow to get through to Krylov on the telephone and ask him to comment on RMF's findings failed. This merely strengthened the Poles' suspicions that Russia really was preparing to declare economic war on their country.

Approached by IZVESTIYA for an explanation, Sergey Krylov categorically rejected this assumption: "We have no intention of introducing any sanctions against Poland. It is an absurd idea. It is particularly disgraceful that these notions have been attributed to me. I am fundamentally opposed to sanctions, because world practice shows that very rarely is the desired result achieved with their help."

According to the deputy minister, he has never given an interview to RMF. He met some Polish television journalists a few weeks ago. It was then that he uttered the words used by the Krakow radio station. However, he assured us that they were spoken in a totally different context: "We were talking about Russian-Polish economic cooperation and joint projects of benefit to both our countries. I cited the contract to build the gas pipeline as the most striking example; it is worth a total of $2.4 billion, of which $400 million will be invested in Polish territory. It was then that I asked (arguing with those opposed to ties between Poland and Russia): Surely the Poles need this gas pipeline? Surely they need the Russian market? Naturally, I made no reference to any sanctions."

Krylov was extremely vexed that he had been used "as some kind of bugbear" and set up as virtually Poland's number one enemy. In the deputy minister's opinion, the journalist who had provoked the scandal had been extremely unscrupulous. "As I had not said anything reprehensible, I did not feel it necessary to try to justify myself and thereby become a laughing stock," Krylov said, explaining his reluctance to discuss the ill-starred interview with Polish journalists. However, we understood from the deputy minister's words that he had not been able to avoid this unpleasant subject in a conversation with the Polish ambassador.

As far as RMF's Moscow correspondent is concerned, this is not the first time he has been at the center of a scandal. After last year's incident at Warsaw's East Station (when Polish police beat up some Russian tourists), the Krakow radio station announced that Boris Yeltsin had signed an edict to protect his compatriots abroad which allegedly gave Russian assault forces the right to carry out a punitive operation in Polish territory. This news caused mild panic in Warsaw. Leading politicians were asked to comment on Moscow's aggressive sally. The Poles only calmed down when the text of the edict was published and it became clear that it dealt with something quite different. Poland, and the incident at Warsaw's East Station, were not even mentioned.

Cooperation in Nuclear Safety Planned With Canada

LD1210192495 Moscow INTERFAX in English 1712 GMT 12 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 12 (INTERFAX) — The Federal Nuclear and Radiation Safety Inspectorate, or Gosatomnadzor, plans to sign in mid-January 1996 a memorandum of understanding and cooperation with the Atomic Energy Control Board of Canada.

Yelena Kuznetsova, an official in the Gosatomnadzor foreign relations board, said that the two agencies will cooperate in nuclear safety supervision.

In particular, she said, they will jointly study safety standards in nuclear power stations and reactors, in the production, storage and transportation of nuclear fuel and in the production and use of radioactive substances in the industry, science and medicine.

The Canadians will help their Russian colleagues develop the technology of decommissioning nuclear and radioatively hazardous installations and draft the legal framework and the licensing procedure, in particular, of commissioning power units in nuclear power stations.

Kuznetsova said that the memorandum has been cleared with the Russian government and the Nuclear Energy Ministry.

Cooperation in nuclear energy was a major item on the agenda of Russian Prime Minister Viktor Chernomyrdin's visit earlier in October. The two sides agreed on Canadian participation in designing nuclear power stations for the Russian Far East.

Deputy Premier Stresses Importance of Ties With India

LD1210153995 Moscow ITAR-TASS in English 1344 GMT 12 Oct 95

[By Yuriy Kozmin]

[FBIS Transcribed Text] NEW DELHI, October 12 (ITAR-TASS) — "For Russia cooperation with India was and remains the most important direction of its foreign economic activity," Russian Vice-Premier Yuriy Yarov, who is also co-chairman of the inter-governmental Indian-Russian commission for trade, economic, scientific, technical and cultural cooperation, declared today.

Yarov was speaking at a press conference in the Indian capital following the signing of a memorandum about the results of work of this major inter-governmental commission. Indian Foreign Minister Pranab Mukherjee is the commission's Indian co-chairman.

Yarov stressed that the accords on the intensification of bilateral cooperation reached during talks in New Delhi should be seen as a landmark in the development of relations between India and Russia. "Prospects for the participation of Russian entrepreneurs in the reconstruction of the major facilities built on Indian territory with the assistance of the former Soviet Union are among the priority directions considered within the framework of the commission meetings," the Russian Vice-Premier said.

Yarov added that the two countries must use the entire accumulated experience of work in this direction and their rich scientific and technical potential.

The commission also considered problems relating to the implementation of the earlier agreements on the building, with Indian assistance, of a sea terminal in Novorossiysk, and on the building with Russian assistance of facilities in India. The commission also examined some aspects of investments in the national economies of Russia and India, Yarov said.

Along with this, the Russian Vice-Premier pointed to considerable opportunities that offer themselves at present for the development of Russian-Indian cultural cooperation. He said the commission agreed on holding a Russian culture festival in India in early December. Performers from all parts of India will play to Russian audiences within the framework of an Indian culture festival in the Russian Federation in 1996, Yarov said.

As concerns Indian-Russian relations as a whole, the Russian government official stated that "positions of the two countries coincide on most problems." "India and Russia are reforming their economic systems, and these transformations serve as an important factor influencing the rapid progress of our relations," Yarov stressed.

"We are interested in seeing the economy, science and culture flourish in our states, and we believe that close interaction will be to the benefit of both Russia and India," Yarov declared.

The press conference in New Delhi was told that the inter-governmental Russian-Indian commission for trade and economic, scientific, technical and cultural cooperation would next meet in the first quarter of next year to consider implementation of the agreements reached in New Delhi during the current visit and prospects for further bilateral cooperation in a variety of fields.

Political Issues

Yeltsin Rejects 'Premature Optimism' Over Economy

LD1310114995 Moscow ITAR-TASS in English 1132 GMT 13 Oct 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, October 13 (ITAR-TASS) — President Boris Yeltsin today told the government to step up activity in ensuring stabilisation of the quality of life of the entire population and every individual citizen of Russia.

According to presidential press secretary Sergey Medvedev, the President told participants in today's meeting in the Kremlin that during his recent meeting with Prime Minister Viktor Chernomyrdin he had criticised the government for the failure to ensure the timely payment of wages and pensions, as well as compensations to the investors in banks and firms that become insolvent.

Boris Yeltsin said he has ordered the Prime Minister to ensure a turn-around.

According to Sergey Medvedev, the President disagreed with those who were ready to "sing praises" to the government in connection with "revivification of Russia's economic life." The President refused to share "premature optimism" and said the task was not to "lose pace but to preserve and consolidate the turn-around" the first signs of which have appeared in the economic and social spheres.

The President did not fail to note the positive trends which have appeared in the country's social and economic situation. He pointed out in particular that one in every four regions has reported that its industrial production has grown since last year. Along with this, the President subjected to "tough, serious criticism" the situation in the agro-industrial complex where production slump was reported this year.

As concerns the draft budget for 1996, the President called for ruling out "elements of arbitrariness", pointing out that some of the basic provisions of the draft should be corrected when finalizing it. He pointed specifically to the forecast of the country's social and economic development and the level of inflation.

ITAR-TASS Details Yeltsin Meeting With Chubays, Mikhaylov

LD1310142495 Moscow ITAR-TASS in English 1324 GMT 13 Oct 95

[By Andrei Shtorkh]

[FBIS Transcribed Text] MOSCOW, October 13 (ITAR-TASS) — President Boris Yeltsin today met the leaders of the component parts of the Russian Federation in the Kremlin to discuss two major issues — the social, political and economic situation in the regions and the draft federal budget for 1996, particularly that part of it which concerns relations between the federal budget and the budgets of the component parts of the federation.

With this in view, today's meeting in the Kremlin is attended by First Vice-Premier Anatoliy Chubays and Minister for Nationalities and Regional Policy Vyacheslav Mikhaylov.

Presidential press secretary Sergey Medvedev told ITAR-TASS that much attention was given to the economic situation in the North Caucasian republics which participants described as extremely complicated. It was noted, however, that there were pleasant exceptions to that rule. For example, industrial production in Kabardino-Balkaria this year reached 156 percent of last year's level, and in the Adyge republic, it amounted to 106 percent of last year's figure.

Sergey Medvedev pointed out that the situation in the Chechen republic, including economic restoration, was not discussed in detail but only touched upon in today's meeting.

As concerns the second item on the agenda relating to the draft federal budget for 1996, particularly that part of it which concerns relations between the federal budget and the budgets of the component parts of the federation, the President noted that the document was being finalised and it was necessary to take into consideration the views of the leaders of the component parts of the Russian Federation in order to make necessary changes in time.

Yeltsin noted that the budget potential of the component parts of the federation had increased considerably but there were still "elements of arbitrariness" which needed to be eradicated. The President proposed changing the principles of interaction between the federal budget and the budgets of the regions.

The Presidential press secretary explained that "in accordance with the Constitution of the Russian Federation, the budgets of the component parts of the Russian

Federation are independent, but, taking into consideration a number of economic, geographical and climatic conditions, relations between the federal budget and the budgettts of the republics are built proceeding from the resources which come from that part of the taxes which are due to the federal budget."

The component parts of the Federation receive financial assistance from the centre. This year, the process is "quite tense, but its dynamics is positive," Medvedev said.

He added that, according to the current plans of the federal government, next year's financial assistance to the subjects of the Federation will become more substantial. It will be distributed from the federal budget along four lines, Medvedev said. First of all, a federal fund of financial support will be formed to compensate for differences between the spending of the component parts of the Federation and the revenue due to them in the regional budgets. Another direction provides for funding the expenditure for the maintenance of facilities in the social sphere and the housing fund, which the republics cannot afford on their own. The third direction is federal programmes for the development of regions which have their specifics in each republic. Finally, the fourth direction of assistance from the federal budget to the budgets of the republics provides for subsidies to individual administrative and territorial entities in case they experience temporary financial difficulties.

According to Medvedev, "the existing practice of interaction between the federal and regional budgets does not meet new requirements." In this context, the meeting in the Kremlin discussed ways of improving the existing system. In particular, the Russian government proposed introducing "for the next three years, stable rates and norms of assignations from the federal budget to the budgets of the component parts of the Russian Federation," Medvedev said.

He recalled that this year the Federal fund of financial support of the component parts of the Federation was formed on the basis of 27-percent deductions from the value-added tax collected throughout the Russian Federation. Next year, resources channelled to the fund would be made up of 15-percent deductions from the amount of the federal budget tax revenues.

According to government experts, this would ensure a steady inflow of resources to the budgets of the republics.

The need for specific changes to the draft federal budget for 1996 was stressed by the President in the course of today's meeting in the Kremlin. Yeltsin said that the forecast for the country's social and economic development and the level of inflation in the next year needed revising. He also said that it was necessary to modify the main guidelines of the tax reform and to look for additional sources to do away with the budget deficit.

Participants in the meeting called for closer cooperation between the government, State Duma deputies and members of the Federation Council in finalising the 1996 budget. Both First Vice-Premier Anatoliy Chubays and Minister for Nationalities and Regional Policy Vyacheslav Mikhaylov, who were taking part in the meeting, expressed agreement with the proposal.

Yeltsin Signs Edict on Constitutional Conformity

MM1210142495 Moscow ROSSIYSKAYA GAZETA in Russian 11 Oct 95 p 3

["Edict No. 1007 of the Russian Federation President on Measures To Ensure Collaboration Between the Federal Organs of State Power and the Organs of State Power of the Russian Federation Components During the Implementation of Constitutional and Legal Reform in the Russian Federation Components," signed by Russian Federation President B. Yeltsin in the Kremlin, Moscow, on 5 October — from the "Documents" section]

[FBIS Translated Text] With the aim of ensuring that the Constitutions and laws of the republics and the charters, laws, and other statutory legal acts of the krays, oblasts, cities with federal status, the autonomous oblast, and the autonomous okrugs conform to the Russian Federation Constitution and to federal laws; ensuring collaboration between the federal organs of state power and the organs of state power of the Russian Federation components during the implementation of constitutional and legal reform in the Russian Federation components; and eliminating disagreements which may arise between the legislative (representative) and executive organs of state power of the Russian Federation components during the adoption of statutory legal acts; and guided by Article 80 of the Russian Federation Constitution, I decree:

1. That violation of the Russian Federation Constitution and federal laws by the organs of state power of the Russian Federation components during the elaboration and adoption of Constitutions and laws by the republics and of charters, laws, and other statutory legal acts by the krays, oblasts, cities of federal status, the autonomous oblast, and autonomous okrugs, is deemed impermissible.

2. The organs of state power of the Russian Federation components are instructed:

— to remove any contradictions with the provisions of the Russian Federation Constitution and the federal laws which exist in the Constitutions and laws of the republics and the charters, laws, and other statutory legal acts of the krays, oblasts, cities with federal status, the autonomous oblast, and the autonomous okrugs;

— in drafting and adopting statutory legal acts of Russian Federation components, to adhere strictly to the provisions of the Russian Federation Constitution, which enshrine as the basis of the Russian Federation's constitutional system a federal structure for the Russian Federation based on its state integrity, the unity of the system of state power, the delimitation of spheres of jurisdiction and powers between the federal organs of state power and the organs of state power of the Russian Federation components, and on the equality and self-determination of the peoples in the Russian Federation;

— on the basis of the provisions of Articles 73, 76, and 77 of the Russian Federation Constitution, pending the publication of the federal law on the general principles of the organization of the representative and executive organs of state power of the Russian Federation components, the Russian Federation components are to refrain from adopting statutory legal acts which establish organizational principles or a system of organs of state power in the Russian Federation components.

3. A Commission Under the Russian Federation President for Collaboration Between the Federal Organs Of State Power and the Organs of State Power of the Russian Federation Components During the Implementation of Constitutional and Legal Reform in the Russian Federation Components (hereinafter called the Commission) is to be formed.

The Commission is responsible for:

— ensuring collaboration between the federal organs of state power and the organs of state power of the Russian Federation components during the process of the elaboration and adoption of the Constitutions and laws of the republics and the charters, laws, and other statutory legal acts of krays, oblasts, cities with federal status, the autonomous oblast, and the autonomous okrugs and during the resolution of other questions of constitutional and legal reform in the Russian Federation components;

— elaborating measures to ensure that the Constitutions and laws of republics and the charters, laws, and other normative legal acts of the krays, oblasts, cities with federal status, the autonomous oblast, and the autonomous okrugs conform to the Russian Federation Constitution and federal laws;

— eliminating possible disagreements between the federal organs of state power and the organs of state power of the Russian Federation components and also between the legislative (representative) and executive organs of state power of the Russian Federation components;

— drafting proposals on the application by the Russian Federation president of conciliation procedures to resolve such differences in line with Article 85 of the Russian Federation Constitution.

4. The Russian Federation President's State Legal Administration is responsible for providing legal support for the Commission's activity, forming a special subdepartment within its structure and increasing its personnel by 25; and the Russian Federation Presidential Staff Administration for Working With Territories and other structural subdepartments of the Russian Federation Presidential Staff, as well as the Office of the Administrator of Presidential Affairs are responsible for providing organizational and material and technical support for the Commission's activity.

5. The leader of the Russian Federation Presidential Staff, with the participation of the interested federal organs of state power and organs of state power of the Russian Federation components, is to present for ratification by the Russian Federation president within two months a statute on the Commission Under the Russian Federation President for Collaboration Between the Federal Organs Of State Power and the Organs of State Power of the Russian Federation Components During the Implementation of Constitutional and Legal Reform in the Russian Federation Components, and a proposal for its composition.

6. The Russian Federation Government is to adopt the necessary measures to strengthen collaboration with the organs of executive power of the Russian Federation components in legislative activity.

7. The present edict comes into force from the moment of its publication.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin, 5 October 1995
No. 1007

Chernomyrdin Would Like To See Yeltsin Reelected

LD1210214695 Moscow INTERFAX in English 1805 GMT 12 Oct 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Russian Prime Minister Viktor Chernomyrdin told the faculty and students of Moscow State University Wednesday that he would like to see

Boris Yeltsin work some more in presidential office for the good of Russia. He was answering a question on next summer's presidential elections.

Commenting on his recent meeting with Yeltsin, he said it focused on monetary and credit policies.

Chernomyrdin said they had thoroughly discussed how to accomplish the current monetary and credit policies aiming for economic stabilization.

Chernomyrdin said they also considered "how not to infringe" on social issues while pursuing these policies.

Speaking on alternative military service, he said the government was preparing a draft law which contained a relevant provision. Once finalized, the document will be submitted to the president, he added.

According to Chernomyrdin, "there is a possibility for and area of the introduction of alternative military service in the country."

Daily Reports Council on Cadre Policy 11 Oct Session

MM1210103995 Moscow ROSSIYSKIYE VESTI in Russian 12 Oct 95 p 1

[Report by Pavel Anokhin and Vladislav Krukovskiy: "Deeds, Not Length of Service, Determine an Official's Standing"]

[FBIS Translated Text] Yesterday's [11 October] session of the Council on Cadre Policy under the Russian Federation president considered the draft presidential edicts "On Qualification Requirements for Holding State Office in the Federal State Service" and "On Expenditure Norms for Federal State Officials on Official Travel Within the Russian Federation" and discussed the national report on the question of "State Administration and Development" for the UN General Assembly's 50th session.

Recently the Kremlin has clearly stepped up its efforts on questions of developing the system of state administration. The head of state recently signed the edict "On Urgent Measures To Improve Work With Cadres Within the Russian Federation State Service System," and fresh documents are already being prepared in its further development. Thus, the draft edict "On Qualification Requirements..." suggests tightening up these requirements as regards the length of service and work experience of federal state officials, defines the practice for their promotion to suitable office, and envisages measures to prevent unjustified cadre transfers.

For example, in order to hold one of the top state offices, a candidate must have at least 15 years of state service. The problem of state officials' length of service prompted the lengthiest discussion among Council members. It was emphasized that it is not always right to absolutize this indicator when appraising various officials. During the discussion of this problem it was proposed to amplify the actual formulation of the presidential edict. The following wording was agreed: "On Uniform Qualification Requirements for the Length of Service and Remuneration of State Officials."

Another draft of the edict "On Expenditure Norms for Federal State Officials on Official Travel Within the Russian Federation" lays down a uniform procedure in this important work. The draft envisages differentiated norms for such expenditures depending on the office held and the price index. Council members proposed that, in individual cases, the document should provide for supernormative expenditure of official travel funds.

While discussing the draft presidential edicts, the Council members expressed alarm in connection with the delay in submitting to the State Duma the draft law "On State Service." It was decided to convene a special conference on this question, to be hosted by Sergey Filatov, chief of the Russian Federation Presidential Staff. The Council on Cadre Policy under the president approved its work plan for October-December 1995.

Moscow Conference Discusses Aspects of Security

MM1310140595 Moscow TRUD-7 in Russian 13-19 Oct 95 p 3

[Report by Viktor Gorlenko: "White Paper, Black Cloaks"]

[FBIS Translated Text] A scientific practical conference on "The Security of the Individual, Society, and the State and Russia's Special Services," attended by representatives of the Security Council and Russian Federation Federal Assembly committees, scientists, and practical workers of the law enforcement agencies, special services, and establishments and organizations directly involved in safeguarding Russia's security, was held in Moscow on the Federal Security Service's initiative.

The RAU Corporation, an international nongovernmental scientific research and educational organization, has prepared and published the "Russian Special Services White Paper," which includes a large number of articles devoted to various questions concerning the activity of the organs of state security and law enforcement agencies and their role in safeguarding the country's security at the contemporary stage, based on the conference material.

Council Discusses Local Self-Government

MM1210100495 Moscow ROSSIYSKIYE VESTI in Russian 12 Oct 95 p 1

[Report by Lyubov Tsukanova: "Self-Government Without Pressure. Initiative From Below Enjoys Support from President and Government"]

[FBIS Translated Text] On opening the first session of the Council on Local Self-Government, a consultative organ under the Russian Federation president, Prime Minister Viktor Chernomyrdin announced that his cabinet would examine in the very near future a federal program in support of local self-government.

This program is one of the first practical documents aimed at implementing the Law on Local Self-Government. Everyone knows the difficulties and acrimonious contradictions which accompanied this law's elaboration and adoption. Now it is accepted for implementation with just as many difficulties, since its essence is to redistribute power.

The lengthy period of time since the adoption of the Russian Federation Constitution, Minister for Nationalities Affairs Vyacheslav Mikhaylov said, has led to numerous complications at regional level. While there was no law, local self-government was taking shape haphazardly, accompanied by the development of progressive and dead-end tendencies alike. But even now, when the Law on General Principles of Local Self-Government has come into force, its provisions are clearly inadequate for establishing a smooth system of power at the local level. It is necessary, as Viktor Chernomyrdin said, to adopt more than 20 federal laws developing and amplifying the "general principles."

The main knot of problems is to be found in the sphere of mutual relations between regional organs of power and organs of local self-government. City mayors unanimously assert that the authorities in Russian Federation components have given a "poor" welcome to the Law on Local Self-Government since they are unwilling to let cities (which are now objects of self-government) slip away from their subordination. The governors, for their part, fear the loss of governability since, as Moscow Oblast Administration Head Anatoliy Tyazhlov said, "the executive power is answerable to the population for everything." The problem, as many people have noted, lies in the fact that there is no clear-cut and unambiguous definition of territorial formations which are objects of local self-government. This question must be resolved either by a special federal law or by Federation component laws.

It is generally believed that local self-government will be unable to properly stand on its own two feet until such time as solutions are provided to questions like budget and financial regulation, formation of organizational-legal foundations of local self-government, and provision of cadres and information technology for it. Local self-government heads insist on long-term (for at least three or four years) guarantees of the main sources of budget revenues for municipal formations and on solution to the problem of transferring land and real estate to municipal ownership, without which it would be impossible to ensure at least some stable and forecastable development. But even now, while many of the most complex questions still remain unsolved, the law offers an opportunity to develop local self-government, this "foundation of the state's stability," as Nikolay Travkin defined it. He does not share the "universal lament" about the allegedly catastrophic state of affairs in the regions: Things are still getting done and much depends on people. Viktor Dorkin, mayor of Moscow Oblast's city of Dzerzhinskiy, agrees with him and also believes that much depends on the initiative of people who head the organs of local self-government.

Nikolay Travkin correctly noted that the question of accountability is a question of elections when the population itself will be able to decide who is capable of heading the process of restructuring life in its community. The elections are yet another tense aspect of the process of establishing the local self-government system. The legislators, having prescribed that elections to local self-government organs should be held in six months' time, have, in the opinion of many practitioners, "rushed ahead" somewhat. Many Federation components simply lack the legislative basis for this (which, incidentally, prompted the Russian Federation president's edict proposing that local elections be postponed until December 1996). But many practitioners do not advise any artificial delays to the electoral process in places which are comprehensively prepared for it. The main point, and members of the Council on Local Self-Government are convinced of this, is that it is necessary to avoid the process of politicizing the election campaign and to prevent any speculation on this topic.

Local self-government is a vast field for activity and, to all intents and purposes, it "has neither been plowed nor sown" in our country. But, as Sergey Filatov remarked, "things are not altogether bad," there are some "encouraging signs" which ought to be nurtured. The establishment of effective local authority will take many years, there is no need for haste so as not to inflict any damage in the "rush," but there is no need either to postpone this work "until later" and wait for the creation of all conditions. Local self-government, Sergey Filatov said, must be created through joint efforts, it is a guarantee of Russia's transformation.

Panels Examine Illegal Migration, Export Problems

MM1310133295 Moscow KRASNAYA ZVEZDA in Russian 13 Oct 95 p 1

[Russian Federation Security Council Press Service report: "'Migration Threat' to Our Interests"]

[FBIS Translated Text] Moscow — On 11 October 1995 there was a joint session of two interdepartmental commissions of the Russian Federation Security Council — the commission on border policy, chaired by Andrey Nikolayev, director of the Federal Border Service, and the commission on public security and the fight against crime and corruption, chaired by Valentin Kovalev, Russian Federation justice minister.

The session examined the question "On Measures To Prevent Illegal Migration on the Territory of the Russian Federation." It was noted that Russia has become a magnet for migrants from almost all parts of the world. Illegal migration, especially from states in Asia and Africa, China, and the Near and Middle East, poses a threat to national interests. The question "On the Activity of the Russian Federation Customs Organs in Preventing the Illegal Export of Strategically Important Raw Materials" was also examined. It was noted that there have been instances when foreign economic activity has been actively used to launder funds obtained by criminal means.

Military Issues

General Smirnov Discusses Military Draft Problems

MM1110091295 Moscow KRASNAYA ZVEZDA in Russian 7 Oct 95 p 1

[Interview with Lieutenant General Vasiliy Smirnov, deputy chief of the Russian Federation Armed Forces General Staff Main Organizational and Mobilization Directorate, by Oleg Falichev; place and date not given: "Fall Draft Should Proceed in Strict Accordance with the Federal Law"]

[FBIS Translated Excerpt] [Falichev] Vasiliy Vasilyevich, the attitude of society and the state toward the army is formed from many criteria. There is supply and financing.... But perhaps one of the most important is its staffing. For some years now this process has been proceeding with great difficulties, to put it mildly. The reasons for this phenomenon are a subject for a separate talk. But today let us talk about results. And here we should obviously begin with the spring draft campaign. After all, you will agree that the press has said virtually nothing about its final results.

[Smirnov] Perhaps.... Especially as the problems of the 1995 spring and fall draft remain among the most acute. Unfortunately some of our citizens have formed the persistent opinion that the new draftees are needed for the army, for the military department, and not for the country. Although the Constitution speaks directly of citizens' duty to defend their Fatherland. As before many people are saying that the military commissariat is "seizing" draftees for the army. Yet in accordance with existing legislation the organization and execution of the military draft are assigned to the local administration heads. It is largely precisely thanks to their attention toward this state task that the target for the drafting of citizens set by the Russian Federation president was fulfilled in the spring.

Social structures also played a positive role in carrying out the draft. Structures like the Russian defense technical sports organization, the "Council of parents of Russian servicemen" movement, and a number of others. At the same time someone was, figuratively speaking, putting a spoke in the wheels. Unfortunately we have to note the adverse influence exerted on the draft by the "Soldiers' Mothers of Russia" movement and the "committee of soldiers' mothers of Russia." They organized picketing of the draft and assembly points, issued illegal ultimatums to the organs of state power, and incited citizens not to fulfill the requirements of the relevant laws.

Alas, we have instances of the nonfulfillment of the law's requirements by the organs of local power. Thus the heads of the local administrations of Naberezhnyye Chelny and Aznakayevskiy Rayon in the Republic of Tatarstan dodged leadership in carrying out the military draft. As a result the draft was in fact disrupted in these regions.

[Falichev] That is the laws were broken by people whose official duty was to keep track of their fulfillment?

[Smirnov] Yes, and that is very regrettable. Moreover, some officials even impeded the draft. I have in mind the leaders of individual enterprises, organizations, and institutions. Thus the rector of the Orenburg regional institute of management tried to disrupt the notification of the institute's graduates and their appearance at the draft commissions. And the prosecutor's office organs, despite appeals from the military commissariats, took no effective steps against the violator of legislation. Well! After that can we be surprised that the number of "dodgers" today is already in excess of 27,000.

[Falichev] As we know in the spring amendments were adopted to the law "on military service obligation and military service." But to this day passions around them have not abated in parliament. The Duma defense committee adopted its own "amendments to the amendments" in the summer.... What kind of a situation do we have here? What has happened recently on this "front?"

[Smirnov] Indeed, on 29 April the law "on the introduction of changes and additions to the Russian Federation law 'on military service obligation and military service'" was adopted. In accordance with this law the duration of military service upon drafting is set at 24 months. Which will make it possible as early as this fall to staff the troops to 85-90 percent. But there was no complete clarity here until the very last moment. Why? You rightly mentioned the "amendments to the amendments." On 29 July this year they were suggested by the State Duma. If they had gotten through then this would have had the most adverse effect on the staffing level of the troops and would have virtually canceled out all the preceding lawmaking work. Judge for yourself. The troops' staffing level would have declined to 60 percent (!) and each soldier and sergeant would have had to perform the duties of two or even three servicemen. Combat capable formations and units would have disappeared in the Armed Forces.

We must pay tribute to the Federation Council. It approached the examination of these "amendments" in a quite serious and balanced manner. As a result they were rejected at the session 4 October this year. So that the draft will proceed in accordance with the law adopted in the spring. [passage omitted]

[Falichev] And one last question, Vasiliy Vasilyevich. How long will the soldiers and sergeants recruited earlier serve? In particular is release into the reserve being delayed for those who were drafted for 18 months in 1994 under the old law?

[Smirnov] I must stress once again that the changes introduced to the law this spring will now operate. They affect those who were drafted earlier, for 18 months, for instance. I shall explain. The 29 April 1995 federal law "on the introduction of changes and additions to the Russian Federation law 'on military service obligation and military service'" for servicemen who are serving under the draft now sets the term of this service at 24 months. And for those with higher education the term is 12 months. Article 4 of this law introduces these terms of military service as of 1 October this year and extends them to servicemen drafted previously and undergoing military service under the draft.

Thus, this fall only those servicemen who were drafted to military service in the fall of 1993 will be released into the reserve. As will those who have higher education and were drafted in the fall of 1994. Young men drafted to military service in April-June 1994 will be released into the reserve in the spring of 1996.

Federal Assembly

Reportage on Chernomyrdin's Address to State Duma

Proposes Duma 'Nonaggression Pact'

LD1310102995 Moscow ITAR-TASS World Service in Russian 0811 GMT 13 Oct 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 13 Oct (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin, speaking today in the lower house of the Russian parliament, suggested that "a nonaggression pact" should be concluded between the government and the State Duma on the eve of the parliamentary elections.

He said that the tension of political struggle on the eve of the elections should not affect the relations between the legislative and executive branches of power. "We have little time left and yet a great many things are to be done," Chernomyrdin stressed. "That is why we should coexist peacefully."

Asserts Willingness To Compromise on Budget

LD1310094295 Moscow ITAR-TASS World Service in Russian 0833 GMT 13 Oct 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 13 Oct (ITAR-TASS) — The 1996 draft budget must retain "continuity in rate of change," Russian Prime Minister Viktor Chernomyrdin has said.

During a speech in the State Duma today on the country's socioeconomic situation, he said the government is prepared to make compromises when discussing the budget in the Duma.

Viktor Chernomyrdin said the main indicator for the country's financial plan is the budget deficit, and methods of reducing it other than new emissions.

Speaking on the laws which the government thinks the State Duma should adopt first, Chernomyrdin named the 1996 draft budget, and bills on joint-stock companies, mortgages, limited liability companies, and the second part of the Civil Code.

Chernomyrdin also thinks that changes to tax legislation which reflect new economic realities must be made by the end of the year.

Says Defense Spending To Be Increased

LD1310110595 Moscow ITAR-TASS in English 1024 GMT 13 Oct 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, October 13 (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin said Friday that his government was ready to reconsider and increase the country's defence appropriations as compared to the figures of the 1996 draft budget.

The budget envisages 78.9 trillion roubles (over 17 billion USD) for the purpose, while, according to sources in the Defence ministry, the military demand 111 trillion roubles (25 billion USD) saying the current budget figures will not allow the armed forces to be a reliable guarantor of national security and state integrity of Russia.

Chernomyrdin did not disclose how much the government may add, but told the State Duma that the "government was ready to earmark more means for the upkeep of the army, for buying fuel, food, and the necessary supplies".

The premier also promised that the construction of housing for servicemen would be continued and money for this would be obtained, among other sources, from the existing stock markets.

Chernomyrdin said the government deemed it necessary to continue the development of new military equipment in order to "possess powerful and highly effective armed forces". It also intends to expand the export of Russian armaments.

In spite of the existing difficulties in the national economy, Russian scientists were able to develop in 1995 several new models of air force equipment, new types of "air-to-air" missiles, new anti-aircraft missile complexes, as well as some efficient means for the strategic nuclear forces. The Russian army received a new combat helicopter, developed by the Kamov Designing Bureau, and several new warships, according to Chernomyrdin.

Addresses Economic Situation

LD1310093595 Moscow ITAR-TASS World Service in Russian 0801 GMT 13 Oct 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 13 Oct (ITAR-TASS) — "The government has not, unfortunately, been able to prevent the unfavorable situation regarding investments", said Viktor Chernomyrdin, chairman of the Russian Federation Government, reporting to State Duma deputies today on the socioeconomic situation in the country.

According to the prime minister, the volume of capital investments in 1995 has gone down by 15-17 percent compared with last year. There is still an unfavorable situation with regard to nonpayments, Viktor Chernomyrdin noted. The rate of growth of the mutual debt of Russian enterprises has again started to increase, but the government is doing everything to halt this trend, he stressed.

At the same time, he noted, if one makes comparisons with the past when dubious financial pyramids "blossomed" in the country, this year state revenue bonds, in which the population has great faith, have started to operate.

In Viktor Chernomyrdin's opinion, the Russian banking system "is now showing signs of improvement" and it is moving toward the financing of long-term investment in industry. According to a proposal by the president, he noted, the government is now working out measures which would help to strengthen Russian banks. This is being done based on proposals by the Association of Russian Banks, he noted.

Promises Investors' Compensation Fund

LD1310103395 Moscow ITAR-TASS in English 0931 GMT 13 Oct 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, October 13 (ITAR-TASS) — Prime Minister Viktor Chernomyrdin today told the State Duma lower house of parliament that the Russian government would set up a compensation fund to make up for the losses sustained by investors into banks and funds that went bust in recent years. There are millions of gullible people in Russia who succumbed to the charms of pyramid funds and unreliable banks promising quick returns on investments.

As concerns financial plans, the Prime Minister said the government would help financial companies operating with the money from individual investors which will meet the demands of the Federal Commission for securities and the stock market.

Chernomyrdin also said that the law enforcement agencies will intensify activity in this sphere.

Addresses 1995 'Production Slump'

LD1310091695 Moscow ITAR-TASS in English 0825 GMT 13 Oct 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, October 13 (ITAR-TASS) — Prime Minister Viktor Chernomyrdin today told the State Duma lower house of parliament that the scale of public production slump this year was not as wide as last year.

The Prime Minister was addressing a plenary session of the house. He was speaking about the social and economic situation in the Russian Federation.

Chernomyrdin said that the gross domestic product output fell by only three percent in the first nine months of this year as against 12 percent last year. He reported that in September the gross domestic product output was the same as in last year's September, and signs of growth appeared in some important industries.

The Russian head of government stressed that many enterprises were actively looking for a niche of their own on the market. He said enterprises of this kind can be found in any sector, although there are still enterprises which he described as "lying down."

Rejects Miners' Wage Nonpayment Claims

LD1310104995 Moscow ITAR-TASS in English 0941 GMT 13 Oct 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, October 13 (ITAR-TASS) — Prime Minister Viktor Chernomyrdin today told the State Duma lower house of parliament that "all the money allocated to pay wages to the miners is disbursed in strict compliance with the schedule."

He rejected accusations voiced by the miners that the government was deliberately holding back the money earmarked to pay their wages.

The Prime Minister said the situation with non-payment in the country was the only factor impeding the full payment of wages to the miners. "We intend to arrange a mutual settlement between the debtor industries," he said.

The Prime Minister also promised that the government would release from the federal budget all the resources owed to the miners, and "may be even more."

The Prime Minister said the government had drafted a resolution on material liability of the debtor enterprises. He said the enterprises which have accumulated debts to other enterprises or to their own employees would be liable for their debts with their property.

Says Russia Needs 'Clearcut' Land Laws

LD1310105295 Moscow ITAR-TASS in English 1031 GMT 13 Oct 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, October 13 (ITAR-TASS) — "The country must have clearcut laws on land ownership," Russian Prime Minister Viktor Chernomyrdin told the State Duma here today, reporting on the socio-economic situation in the country.

"Those who fear private land property," he stressed, "must go away. Their time is over."

He also said that the government would shortly discuss a programme for the development of the Russian agro-industrial complex until the year 2000.

Duma Compromise Vote on Federation Council Reported

MK1310100995 Moscow KOMMERSANT-DAILY in Russian 12 Oct 95 pp 1, 3

[Report by Yevgeniy Yurev and Veronika Kutsyllo: "State Duma Plenary Session. Federation Council's Future Will Be Decided by President All the Same"]

[FBIS Translated Text] Yesterday the State Duma rushed, through three votes at once, the [draft] law "On Formation of the Federation Council." It differs substantially from the president's draft: the latter proposed that members of the Federation Council could be representatives of executive and legislative bodies of power in the regions, whereas the deputies have replaced representatives with [administration] heads. The heads of [local] administrations in the Federation Council should necessarily be elected by the population, and those appointed by the president should face elections within eight months. The [draft] law is most likely to be turned down by Yeltsin in the same manner the preceding [draft] law was.

The situation surrounding the formation of the upper chamber looked to be going nowhere after the president rejected the [draft] law passed by the State Duma and the Federation Council on the election of [Federation Council] deputies. Attempts made by a conciliation commission to reach a compromise between having the deputies elected and the principle of appointing [them] proposed by the president proved futile. The uncertainty of the Federation Council's further fate a little more than two months before the powers of [the current Federation Council] deputies expire and the prospect of having no legitimate upper chamber at all pressured the [Duma] deputies into accepting the draft law proposed by the president.

The concession the Duma had to make is, in fact, conditional. Amendments to the presidential variant suggested by Vladimir Isakov, Duma Legislation Committee chairman, considerably alter its meaning. This is in fact a new version of the [draft] law. If one reads carefully Isakov's amendments, which became law in no time, many curious things can be discovered. At first glance, the Duma agreed with the president by deciding against the purely elective principle. Compared with the president's variant, the Duma made the law even tougher: Members of the upper chamber cannot be merely two representatives of a region's executive and legislative authority, but specifically the heads of a region's authorities. However, the provision that only heads of administrations who were elected by the population can be Federation Council members clashes with Yeltsin's famous edict on "spacing" elections, according to which elections for governor were scheduled for December 1996. Under the Duma law, elections for heads of administration are supposed to be held within eight months of the law's entry into force; that is to say, if the Federation Council approves the [draft] law by the end of October and the president signs it into law, the deadline for such elections would virtually coincide with the presidential elections in June 1996.

Furthermore, under the [draft] law passed yesterday, the Federation Council might never go to work (at least it will surely not go to work in December): The Federation Council is regarded as competent if its members number at least three quarters of the total number (three quarters of 178 is 134). At the present time, there are in Russia 87 heads of legislative power (Chechnya and Ulyanovsk Oblast have none); there are 10 or so elected heads of administration (experts have doubts about Yuriy Luzhkov, who was elected by the population as deputy mayor, while it was Yeltsin who appointed him mayor); and there are some 20 popularly elected presidents of republics that are part of Russia.

The formation of [the next] Federation Council is being made even more of a problem by modest notes to the effect that its members can be heads of legislative and executive bodies of power "elected in correspondence with the law." It is logical to assume that reference is made to some laws defining a procedure for electing bodies of local power. But chairmen of local legislative assemblies in most oblasts were elected according to an established procedure rather than according to a law — that is to say, such laws need to be thought up, and then elections can be held according to them.

It is not hard to predict the future of the [draft] law — voting against it will be advocates of the original election variant (90 deputies voted for it on 28 July), and simply sober politicians who realize that such a law would not make it possible to form a chamber that will be able to work. The [draft] could become law if the president agrees to elect all governors on 17 December, but this is extremely improbable.

Equally improbable is that in thinking up his amendments, Vladimir Isakov did not realize that the law would not work. This must have been the only objective — to provoke the president into displaying a lack of flexibility and into turning down the [draft] law. The plan, if there was such, plays right into Boris Yeltsin's hands: According to KOMMERSANT-DAILY's information, no special hopes were pinned on the Duma, and sending the president's version to the deputies was merely a goodwill gesture — the presidential edict on the formation of the Federation Council has long been awaiting its hour (in particular, definition by the Constitutional Court of the term "formation"). Incidentally, it is possible that a seat for Vladimir Shumeyko may be found in it — neither the president's nor Isakov's texts provide for any Russian Federation representatives at all.

Setting rather high standards for future deputies, the current ones proved far too lenient toward themselves and disagreed with a proposal on amending the law on deputies' status that too broadly interprets the deputies' immunity: An attempt to narrow the limits of deputies' immunity was rejected.

Duma Rejects Draft Law Limiting Deputies' Immunity

MK1310114395 Moscow SEGODNYA in Russian 12 Oct 95 p 1

[Report by Petr Zhuravlev: "The Majority of Duma Deputies Are Not Yet Ready To Give Up Some of Their Privileges"]

[FBIS Translated Text] Yesterday, the State Duma failed to pass amendments to the law on the status of a deputy, envisioning a reduction in deputies' level of immunity. Only 180 parliament members voted to approve the amendments on the first reading.

In accordance with the current law on status, a criminal case against a member of the State Duma or the Federation Council can only be initiated (or an arrest or search can only be made) after the consent of the chamber is obtained. Yesterday, Deputy Grigoriy Bondarev proposed that the law be amended so that the chambers would interfere at a later stage and give consent not on the initiation of a case, but with its transfer to a court. "A deputy's office has become very attractive for criminal elements," Mr. Bondarev emphasized in his speech at the session. In his words, if the amendments are passed, law-enforcement agencies will only be able to interrogate a deputy; as regards his search or arrest, everything will remain as it is now.

Mr. Bondarev was criticized by nearly everyone who took part in the debate — some for the "rigidity," others for the "softness" of his approach. Among the former was Vladimir Zhirinovskiy, who accused the proponent of distorting "the very essence of immunity." Viktor Ilyukhin, head of the Security Committee, in turn emphasized that Mr. Bondarev proposed "a somewhat limited version" of amendments to the law. In Mr. Ilyukhin's opinion, immunity should not be extended to deputies who "have committed crimes not related to their official activity."

As a result, Mr. Ilyukhin's committee was commissioned yesterday to elaborate, together with Mr. Bondarev, draft amendments and submit them to one of the next sessions.

Duma Urges Government To End State Pensions Crisis

LD1310110895 Moscow ITAR-TASS in English 1034 GMT 13 Oct 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW October 13 (ITAR-TASS) — The State Duma has suggested that the government work out within two weeks a comprehensive plan of measures to take the state pensions system out of the crisis.

At a plenary meeting here on Friday, the Duma adopted a Bill "On measures to ensure the timely payment of pensions in the fourth quarter of 1995". The Bill determines a procedure for urgent financial aid to the Pensions Foundation in the fourth quarter in view of the critical situation concerning the payment of pensions.

With a view to radically changing the situation, the Central Bank has been advised to grant a non-interest credit of 3,000,000 million roubles to the Pensions Foundation in October this year for a term of six months resultant of selling part of currency or gold reserve.

It is now up to the Federation Council to confirm or turn down the Duma-adopted Bill.

Regional Affairs

Chechnya Reportage: Negotiations, Politics, Military

Yeltsin Pledges 'No More War'

LD1310090795 Moscow ITAR-TASS in English 0843 GMT 13 Oct 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW October 13 (ITAR-TASS) — Russian President Boris Yeltsin pledged on Friday that there will be no more war in Chechnya despite all provocations by militants loyal to separatist leader Dzhokhar Dudayev.

"We shall not sidetrack from the peaceful path no matter how Dzhokhar Dudayev pushes us to that", the president told a meeting of regional governors.

"The political stability in the whole of Russia depends on what the situation will be in the Chechen republic", the president stressed.

Talks about a possible state of emergency in Chechnya began after assassination attempts were staged in Groznyy on presidential envoy Oleg Lobov and federal troops commander Anatoliy Romanov. Lobov escaped unharmed, while Romanov is still in coma in a Moscow hospital.

Russian top military officials backed the introduction of the emergency situation which could have triggered the resumption of combat activities, but Yeltsin refused.

"We shall help Chechnya materially, in the sphere of construction, economic restoration, in paying pensions which the population have not received under the Dudayev regime for three years", Yeltsin said.

"We shall also pay wages and fight unemployment in the Chechen republic", the president said adding that Dudayev had brought Chechnya to a complete collapse.

Volskiy Thinks War Not To Be Resumed

MK1310061195 Moscow OBSHCHAYA GAZETA in Russian No. 41, 12-18 Oct 95 (Signed to press 11 Oct 95) p 1

[Interview with Arkadiy Volskiy by Vitaliy Yaroshevskiy; place and date not given: "The Time of Sabotage"]

[FBIS Translated Text] [Yaroshevskiy] Two months ago you promised to name the representatives of the "party of war" in the Kremlin and have not done so to date. Can you do it now?

[Volskiy] The question is not about personalities. There is a certain group, mainly the military, who believe that first the Dudayevites had to be finished off and then negotiations conducted. With whom? And where? At the cemetery? And what does finishing off mean? The local authorities say that a mere 1,000 Dudayevites are left. Some even say 600. Even if they are 10 times as numerous, they can still be finished off. But Dudayevism today has affected the entire republic. Chechens sympathizing with Dudayev have spread around in cities and villages. In daytime they plow the land, and at night they take up arms. Who is there to finish off? The Chechen people? Even according to official figures, 26,000 civilians have already been killed. And the local government cites figures three times as high.

[Yaroshevskiy] After the attack on Lobov and Romanov there is now talk about a mysterious "third force." What is it?

[Volskiy] I would say this: There should be a will to look for this force. The impression is that no one wants to find the organizers of the attack. This worries me more than anything else.

Here is one terrible example. In late July the Chapanov family was murdered in a Groznyy suburb: four kids, a woman, and an old man. This shocked all of Groznyy; the negotiations were on the verge of collapse. Criminal proceedings were instituted. The Russian president stated that he would personally monitor the progress of the investigation. My understanding is that once the president has made such a statement, it is necessary to set up a special group at the top level. In fact the investigation of this monstrous crime was entrusted to the local prosecutor's office, which has no access to either the Dudayevites or the troops.

The same happened with the attack on Lobov. The Dudayevites swear that they stand to lose from this assassination attempt. Maskhadov confirmed this, as a military man: The leaves are falling; the forest is becoming bare. The gunmen are clearly visible. Should hostilities resume, they will simply be wiped out in their mountain camps.

After the attack on Romanov, Maskhadov said that he would personally execute those who had blown up his friend. But nothing has changed. Therefore you can talk seriously about a third force only when the investigation is carried on reasonably. But it has to be conducted in the first place. There are clear-cut traces; the criminals laid 250 meters of wire from the explosives to the detonator. Shortly before the attack on Romanov, the car of Mikhaylov, head of the Russian delegation at the negotiations in Groznyy, came under fire — exactly from the bridge on Minutka Square, under which the general's car was blown up. There was nothing about this in the press, although the car had come under serious attack. Thank God everyone lived. Mikhaylov did not report the attack. After that armored personnel carriers and patrols were stationed on the bridge. Why were they withdrawn several days before the terrorist act against Romanov?

And the main thing: The pattern in Lobov's and Romanov's cases is the same. Even the wires and detonators are the same. What else is there to say? Therefore I believe that no one is really looking for the criminals.

[Yaroshevskiy] Romanov should have been given extra protection. What has happened is yet another failure by our special services?

[Volskiy] There is some prehistory to this. Some 40 minutes before the attack, Romanov had arranged to meet with Khasbulatov. In all likelihood, somebody who was very well informed and stood very near the general in both a direct and a figurative way prompted him toward this meeting in order to expedite the terrorist act. Romanov could not have bypassed Minutka. This was known. Someone did everything very expeditiously. The charges were suspended under the bridge and it was easy to install them quickly, especially if there was no security.

The third force is rather powerful. Look at the Khadzhiyev government. From the first day they have said: We must control Russian troops. Romanov categorically rejected that. Gantemirov, the mayor of Groznyy, invariably objected to the participation of OSCE officials in the negotiations. I saw him send several warnings to the OSCE headquarters: You must leave Groznyy. Romanov for his part supported the European diplomats. He followed a reasonable policy and as a result made enemies, even among those who are sympathetic to Russia. Therefore the investigation should be comprehensive.

[Yaroshevskiy] Is there a limit to the Russians' patience? What about the Chechens?

[Volskiy] The patience of the Russian people has run out. I accidentally got aboard an aircraft carrying 16 coffins with dead soldiers to Samara. I know what sorrow means; I saw it with my own eyes. But if a large-scale war begins, there will be no fewer casualties. Chechen society is divided, but the majority still want the war to end.

[Yaroshevskiy] The Russian "delegates" in Groznyy are not free people. There are guidelines for them to follow from above; there is an action plan. But still:

Have Moscow instructions always been in line with your convictions? Has it ever happened that "ultimate considerations" ran against your conscience?

[Volskiy] Probably not. I am not a flatterer. But I must say that both the president and the prime minister are clearly set on calming society down before the elections.

[Yaroshevskiy] The military agreements have been put on hold. Minister Kulikov insists that a state of emergency be imposed. President Yeltsin is thinking about it....

[Volskiy] It was last December, when we were bringing troops into Chechnya, that a state of emergency should have been imposed. Now is not the best time. If a state of emergency is imposed, the interior troops will not be enough. Therefore, a state of emergency should only be imposed in Groznyy, at most, in this one city, while nearly half of the Chechen villages — approximately 400 — live a quiet life. These are zones free from the gunmen. Should a state of emergency also be imposed there? Russian presidential advisers divided 3:2. Three are against the state of emergency and two are in favor.

[Yaroshevskiy] What is awaiting us after all? Will a new war begin?

[Volskiy] I don't think so, although a day before the attack on Romanov [Defense Minister] Grachev actually advocated the resumption of war. A coincidence? Possibly. Nonetheless, you should carefully watch the moves of the power structures.

Service Warns of Dudayev Attack Plans

LD1310091295 Moscow ITAR-TASS in English 0806 GMT 13 Oct 95

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY October 13 (ITAR-TASS) — The Russian Security Service officially warned on Friday that Chechen separatist leader Dzhokhar Dudayev was planning to stage provocations against the local population and to put the blame for that on the Moscow-backed Chechen police.

Local Chechens are to be kidnapped by militants dressed in Russian police uniform and rumours about an upcoming Stalin-style deportation of Chechens are to be spread, according to the statement of an official Security Service spokesman in Chechnya.

"According to information received by the Russian Federal Security Service in Chechnya, some field commanders of unlawful armed units have received orders from Dudayev to stage in the near future demonstrative actions and seize Chechens and members of their families by militants dressed in police uniform. Dudayev also instructed to explain to the population that the seizures are staged by the Chechen Interior ministry in preparations for an alleged mass deportation of the Chechen people", says the document distributed among reporters in Groznyy.

Chechen Gunmen Target Lobov

LD1210175195 Moscow ITAR-TASS in English 1739 GMT 12 Oct 95

[FBIS Transcribed Text] GROZNYY, October 12 (ITAR-TASS) — Unidentified gunmen on Thursday [12 October] fired several shots at the windows of the office of Russian President Boris Yeltsin's envoy for Chechnya Oleg Lobov, ITAR-TASS correspondent Nikolay Zagnoyko reported from the Chechen capital.

The office is situated on the second floor of the Federal Administration building in Groznyy.

No casualties have been reported.

Presumably, the attackers were situated in the building on the opposite side of the street. Guards of the Federal Administration retaliated with fire. As of now, the shootout is apparently over, the correspondent said.

Shkirko Said To Follow Same 'Policy'

LD1210180595 Moscow ITAR-TASS World Service in Russian 1713 GMT 12 Oct 95

[By ITAR-TASS special correspondent Nikolay Sagnoiko]

[FBIS Translated Text] Groznyy, 12 Oct (ITAR-TASS) — "The appointment of Lieutenant General Anatoliy Shkirko, the new commander of the Joint Group of Federal Forces in Chechnya points to the fact that the course of the Russian Government in relation to ways of resolving the conflict in Chechnya will remain unchanged," Vladimir Zolin, first deputy head of the territorial administration of the federal organs of executive power in Chechnya said today in an interview with the ITAR-TASS correspondent.

"General Shkirko, Romanov, and Kulikov, as far as I know, are people of the same command, one approach, and one policy, said Zolin. In their aim to guarantee the unconditional implementation of the agreement achieved earlier on the bloc of military issues the new commander will meet with the full support of not only the leadership of the territorial administration of the federal organs of executive power but also, which is very important, the organs of civilian power of the republic and a wide section of the population."

More on Shkirko as Troop Commander

LD1210210695 Moscow INTERFAX in English
1924 GMT 12 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 12 (INTERFAX) — By order of the Russian interior minister, Lieutenant-General Anatoliy Shkirko on Thursday was appointed the commander of the combined contingent of federal troops in Chechnya.

Shkirko has replaced General Anatoliy Romanov, who is in a serious condition at the Burdenko military hospital in Moscow following the attempt on his life in Groznyy on October 6.

An Interior Ministry's Public Relations Center spokesman told INTERFAX that Shkirko, 48, is the chief of staff, first deputy commander of the interior troops.

Shkirko was born in Groznyy. He graduated from the higher military school in the city of Ordzhonikidze, now Vladikavkaz. He served in interior troops in the Baltic republics, in the Urals and in Western Siberia. He graduated from the General Staff Academy in 1991.

According to the spokesman, Shkirko is an expert in the problems of the North Caucasus. While first deputy interior troops commander he often stayed in Groznyy and knows the current situation in Chechnya well.

Meanwhile, sources in the federal troop command in Groznyy told INTERFAX that the combined contingent of federal troops in Chechnya had been renamed into Russia's provisional forces in the Chechen republic. Correspondingly, General Shkirko will enjoy the status of the commander of these provisional forces.

Federal Troop Contingent in Chechnya Renamed

LD1210212395 Moscow 2x2 Television in Russian
2025 GMT 12 Oct 95

[FBIS Translated Text] The joint group of federal forces in Chechnya has been renamed the Temporary Joint Forces of Russia on the Territory of Chechnya [Vremennyye obyedinennyye sily Rossii na territorii Chechni], sources in the federal command in Groznyy have told INTERFAX news agency.

Maslov Favors Limited Emergency State

LD1210195295 Moscow INTERFAX in English
1712 GMT 12 Oct 95

[FBIS Transcribed Text] GROZNYY, Oct 12 (INTERFAX) — Pavel Maslov, deputy commander of Russian Defense Ministry troops in Chechnya, spoke in favor of declaring a state of emergency in several regions of the republic.

He told INTERFAX that the state of emergency need not affect the whole of Chechnya. "It will be enough to declare it in Groznyy and the Achkhoy-Martan region (on Ingush border — IF Note)," said Maslov. He said that the measure is due to bustling terrorist activity in Groznyy.

According to Maslov, should the state of emergency be declared it will not hamper but will even facilitate the work of the Special Supervising Commission. Given the guarantees we provided to the Dudayev side at the talks, we will be able to ensure their free movement by issuing passes, warning check points, providing escort and security, said Maslov.

He believes that the state of emergency would allow troops to better tackle the issue of "the illegal armed groups which Dudayev supporters characterize as the third force" impeding the talks.

"Under the state of emergency we would have broader powers in order to take more efficient measures against such groups," said Maslov.

Maslov: Dudayev Fails To Honor Accord

LD1210194795 Moscow INTERFAX in English
1712 GMT 12 Oct 95

[FBIS Transcribed Text] GROZNYY, Oct 12 (INTERFAX) — Chechen unit commanders and Dudayev's negotiators at the Special Supervisory Commission talks are unwilling to fulfill the signed military accord, Pavel Maslov, deputy commander of the Russian Defense Ministry's forces in Chechnya, declared in an exclusive interview with INTERFAX on Thursday.

Chechen units, "using the agreement as a cover, have considerably expanded the zones of their influence" through territorial conquest, he added.

Maslov also reported that in western Chechnya all along the confrontation line from Bamut to Tanga it was Dudayev's men who had provoked fighting.

"The so-called peace policy of Dudayev is expressed as on litmus paper: It is he who has led these illegal armed units and has blessed his field commanders," Maslov said.

Lobov Interviewed on Chechen Situation

LD1110233995 Moscow Russian Public Television First Channel Network in Russian
1610 GMT 11 Oct 95

[Studio interview with Oleg Lobov, secretary of the Russian Federation Security Council, by program announcer Dmitriy Kiselev on 11 October — live or recorded; from the "Rush Hour" program]

[FBIS Translated Excerpt] [passage omitted] [Kiselev] Oleg Ivanovich, we received alarming news, reports from Chechnya that Dzhokhar Dudayev who heads the defense committee in the self-proclaimed republic of Ichkeriya has announced that Chechnya is leaving the military bloc of accords with Russia. A number of acts of terrorism have previously been committed, including attempts on your life and on General Anatoliy Romanov who has still not regained consciousness according to the most recent reports and is in a serious condition in the Burdenko hospital. And this is despite the fact that only a few weeks ago Arkadiy Volskiy, a member our delegation at the talks, said in this studio that our mothers, the soldiers' mothers could sleep soundly. And now what? Will there be war again?

[Lobov] I do not think so. If you look at the history of the talks and the conclusion of military agreements, you will not see a major role for Dudayev there. He did not sign any document. And he also made many comments which contradicted accords, and repeatedly. Completely different people signed them. But unfortunately, of what was signed, virtually no point in the agreement was implemented. There have always been reasons why the timetable for the surrender of weapons should be reconsidered, why approaches should be reconsidered, why there should be some question of a pause, and so on. I think that Dudayev chose the worst moment for his statement. A time when the main political figure, and military figure, General Romanov is unconscious.

[Kiselev] But nevertheless, the political situation and the military situation are probably escalating because reports are coming in every day about our troops being shelled, our soldiers are being killed. One was killed again last night. Who does this escalation of the situation suit? IZVESTIYA put forward two versions yesterday. The first was that the escalation of the situation suited the Chechen leaders who are losing popularity on the eve of the elections which are still planned. Do you agree with this version?

[Lobov] I think that it is difficult to agree because there has been no opinion poll on the popularity of the interim government and the Committee of National Accord. And we cannot speak about the people's opinion. It is better to speak about the opinions of individual leaders and political figures. It is no secret that there are several groups in the Chechen republic and several political leaders who claim the role of leader. You know that Khasbulatov has now actively joined in the political process as has the former first secretary of the Chechen-Ingush republic and the current party regional committee, Zavgayev. He is also the chairman of the Supreme Soviet — a session was held recently and the Chechen supreme soviet was again set up. These are the real political figures who enjoy some confidence among part of the population. I think that there is also some confidence in Salambek Khadzhiyev's interim government and the Committee of National Accord. But no one has the majority, just as Dudayev does not have the support of the majority of the population.

[Kiselev] There is another version which IZVESTIYA presents that there is a certain advantage to army circles in Russia who use Chechnya as a stage post for the arms trade — that is what IZVESTIYA says. Or, in other words, it is like a black hole in which weapons disappear without trace. What is your view on this?

[Lobov] I disagree completely. I think this version bears very little resemblance to what is happening today. This might have been the case in 1991, or in 1990, when weapons started to go missing. The situation is completely different now.

[Kiselev] [passage omitted] The irreconcilable Chechens say: We will commit a number of acts of terrorism, then we will blow up an atomic power station. First Basayev seizes a hospital in Budennovsk, then a number of acts of terrorism are carried out successfully, they put General Romanov out of action at least. Will they get to the atomic power stations, what are we to expect in the future?

[Lobov] The problem of terrorism exists throughout the world. And whereas terrorists earlier limited themselves to seizing hostages, they then went on to aeroplanes and they have no gone on to hospitals and so on. So the dynamics may not be favorable but nevertheless this route is one without prospects. On the one hand Dudayev is proclaiming, including during his last interview, that he will never stoop to terrorism whereas we know of his statements and calls for Russia to be burnt down in an atomic fire. What is that if not a call to terrorism. So we must be ready to deflect attempts at terror, including atomic terror. There is a statement by the Ministry of Atomic Power Engineering on this subject. Of course the law and order bodies are taking measures to prevent acts of terrorism and no one should hope that terrorists will go unpunished. I think that even Basayev should understand that a second attempt to get out by talks will, of course, end in failure for him.

[Kiselev] Well, the experience to date of combating terrorism is on the whole not thoroughly in our favor. Romanov is in hospital, and Budennovsk ...

[Lobov, interrupting] One certainly cannot tot up things like this. This is not arithmetic or mathematics or a case of what the score is on this or that side."

[Kiselev] Chechnya's economic problems and the problems of Chechnya's restoration are certainly no less a headache than the military and political problems. Quite a lot of money is now being expended. According to a report in SEGODNYA you have put forward the slogan: Proceed not from the possibilities of the budget, but from the requirements of the republic. If one is to believe the Ministry of Finance, about 2.5 billion rubles [R] has been directed to Chechnya since the start of the year, and in September Anatoliy Chubays spoke of the need for a further R5 billion. It seems that Chechnya is indeed turning into an economic black hole for Russia, and all this is happening in conditions and in a context that IZVESTIYA has described. [passage omitted]

[Lobov] Well, I am not acquainted with the IZVESTIYA correspondent nor know on what basis he drew the profound conclusion that everyone is engaged in theft. I think that it is an improbable exaggeration to say that everyone is engaged in theft. What then is the situation in actual fact? The financing is taking place through three channels. The first channel is the republic's subsidized budget and about 25-30 percent of the funding is through that. The remainder of the money passes through the two main contractors, the Russian Ministry of Construction and the Agro-Industrial Construction Agency. They are the holders of the government's money and the money of the commercial banks. The Ministry of Finance, the body allocating the money, is responsible for monitoring the correct expenditure of the various funds. The relevant machinery exists for this. Therefore in regard to the claim that everyone has learned to steal, I would ask that specific instances be cited.

Unfortunately, no one has been able to provide me with specific instances. For this purpose there are specific services to monitor the passage of the money. It is another thing that the system of financing is not perfect. It is not perfect, especially when the banks are located in Moscow and their branches, say, in Pyatigorsk or Vladikavkaz, while no branches exist locally. Now, however, the passage of funds is being put into order and going through the Central Bank and the field bank of the Central Bank, which is a military bank. The safety of the funds is being guaranteed. In this case the funds are getting through in just one or two days or three at the most instead of 10-12 days. The situation has in this respect been rectified therefore.

As for whether much or little has been invested there, it has so far been very little. At the same time the life of the Chechen republic is already starting up, including its industrial enterprises and agriculture. To my mind the Chechen people comprise not only Chechens but also Russians and other nationalities. They are an industrious people and we must proceed on that basis. If there are thieves among them, then there are thieves too among other peoples. We must clearly separate the bandits, thieves and mafiosi from the ordinary people, who constitute the majority.

[Kiselev] Oleg Ivanovich, if one is to speak about specific instances, I could certainly cite some, and not just in these areas about which we have been speaking. For example, take the latest instance that I heard of. The Ministry of Health allocated R1.5 billion for the purchase of 41 ambulances for Chechnya. Ten ambulances were purchased, while the money for the 31 others vanished. Probably this is not ...

[Lobov, interrupting] Well, law-enforcement bodies exist. The prosecutor's office and investigators exist. Things need to be investigated and, if that is what has happened, people must be held accountable under the law. Is that not so?

[Kiselev] It certainly is, but that is what we have been speaking about. [passage omitted] The well-known human rights defender Sergey Adamovich Kovalev expresses his own views, of course, and not everyone shares them, but you are surely aware that statements by Russian leaders do not always inspire trust. Moreover, Sergey Adamovich Kovalev is prepared, he stated in this studio yesterday that he is prepared to defend in court what he has said about the violation of human rights in Chechnya, about torture, about the barbarity of our special forces, and so on. Are you ready to face such a court with him?

[Lobov] To attend a court with him? I have no intention of attending a court with him because he is an important person himself, he is evidently applying these things to himself because he has got into situations where he could be accused of lying. I think this kind of situation occurs with the problem of Chechnya where he quite clearly took one side — the violation of human rights, which is difficult to deny. That is, there have been cases of looting, there have been cases of theft and there have been cases of brutality. But unfortunately this is not happening on one side but on all sides. And this needs to be seen, there must be an objective approach by all leaders and all of those involved in this matter. So the fault can be spread a little further than to individual leaders on the Russian side.

[Kiselev] Of course. So you admit that during the resolution of the Chechen crisis, quite serious, wide-scale, global mistakes — perhaps even crimes — were committed. And if so, who bears the responsibility for them and who will answer and how will they answer?

[Lobov] Some will answer with their jobs, some will answer with their positions. You know from what happened in Budennovsk, this was connected, that is both ministers and deputy ministers answered as did those of a lower rank. I think that the responsibility also extends to other levels, including servicemen. I have been told that 25 cases concerning crimes among servicemen have gone to trial and the culprits have been punished. That is to say, the information reported in the mass media was just that 25 cases had been instituted. This is not so. Those cases have indeed ended, and a considerably greater number of cases have been instituted. But this does not mean that all the shortcomings have now been eliminated. Bad things do happen, and work is now being stepped up by the military prosecutor's office, the general prosecutor's office, the interregional prosecutor's office and finally the local prosecutor's office in the Chechen Republic. The judicial system is being restored. So quite serious measures are now being taken in this area.

[Kiselev] At present Chechnya is one of the sore points in the presentday life of Russia, which is bigger than Chechnya in the direct and figurative sense of the word. You are the secretary of the Security Council. What are your priorities in defending the security of Russia as a whole?

[Lobov] When we formed the apparatus of the Security Council — there was a fantastic report, you know, that some 12,000 people work in its apparatus, but in actual fact there are fewer than 150 — we selected three areas, namely, military security, economic security and public security. In addition 10 interdepartmental commissions are at work in point of fact on a voluntary basis. They cover ecology, public health, international affairs, and so on. Of all these problems I would highlight the principal task of preserving our statehood and the integrity of Russia. The disintegration of Russia will not permit the solution of ecological, economic or political problems and could become a detonator in point of fact on a global scale for the destabilization of the whole world.

[Kiselev] Is the president of the same mind?

[Lobov] I hope so.

[Kiselev] Thank you. Now it is the turn for questions from our viewers.

The first question, please.

[Male viewer] I would like to ask what percentage of people in Chechnya now support Dzhokhar Dudayev.

[Lobov] An opinion poll was carried out by a newspaper and it was estimated that the percentage of support is about 18 percent. That was the estimate of a local newspaper. [passage omitted]

[Male viewer] My question is as follows. What would your attitude be to a scenario where we leave Chechnya, all Russians are withdrawn from there and a rigid frontier is established between Russia and Chechnya. What would come of that?

[Lobov] Nothing good would come of it. On the contrary, it would be a tragedy not only for the Chechen people but for the Russian people too.

[Female viewer] Dudayev yesterday demanded that international observers be sent to Chechnya. What then are the OSCE representatives doing there?

[Lobov] In actual fact there are international observers in Chechnya in the person of the OSCE. We have good contacts with them. What is more, I known that they are in contact with Dudayev's side — in reliable and even direct contact with Dudayev. There is therefore no need at present, I think, to broaden the number of observers, the more so since it would be fairly difficult for them and constitute a certain amount of danger.

[Kiselev] Oleg Ivanovich, they are in contact with Dudayev, but as far as I understand a decision has been taken — well, Dudayev is considered to be a criminal and it is intended, as it were, to arrest him. Well, are we unable to arrest Dudayev, or do we not want to?

[Lobov] Can I decline to answer that question. It is more for other people.

[Kiselev] Yes, of course. Today's "Rush Hour" was with Oleg Lobov, secretary of the Security Council, who represents the Russian president in Chechnya. Oleg Lobov is unwilling to answer the question of whether it is possible to arrest Dudayev. Our guest in the studio tomorrow will be the priest Mikhail Ardov. Till we meet tomorrow then!

Air Raid Turns Residents Against Russia

MM1310102895 Moscow IZVESTIYA in Russian 13 Oct 95 p 1

[Report by Igor Rotar: "Bombing of Roshni-Chu Is Russian Army's Gift to the Rebel Dudayev"]

[FBIS Translated Text] Urus-Martan Rayon, Groznyy — All the approaches to the village of Roshni-Chu in Urus-Martan Rayon, the village hit by the recent Russian air raids, have been blocked off by federal troops. "We have an order not to admit journalists," men from the Irkutsk OMON [Special Purpose Police Detachment] on duty at the checkpoint told me.

Nevertheless, I managed to get through to the scenes of the recent bombardments. The air raid left one street almost completely destroyed and around 60 families homeless. As I was told at the Urus-Martan Rayon Internal Affairs Department [ROVD], eight civilians died. They included a six-year old girl. There were 19 people injured. "There are 15 air-raid victims in hospital today, seven of them in a serious condition. I hope that we will manage to save all their lives but whatever happens many of them will be crippled. At least two will have to have limbs amputated. Come to the wards yourself and look at these 'gunmen' — the majority of them are children of preschool age and women," Ruslan Visarigov, chief doctor at the Urus-Martan hospital, said.

This rayon was traditionally considered a stronghold of the anti-Dudayev opposition. During Dudayev's rule the rayon's inhabitants refused to recognize the authority of the first Chechen president. It was here in summer 1994 that Beslan Gantemirov, now mayor of Groznyy, formed his armed detachments to combat Dudayev.

What Dudayev failed to do, the Russian Army has managed to do for him. During the first Chechen president's rule the inhabitants of the rayon refused to hoist Dudayev's banners over the rural soviet despite coercion. Today, however, those same villagers are voluntarily raising banners which they detested a year ago in the most prominent places in their villages. Today the green banner with a wolf, the symbol of the Chechen resistance, can be seen everywhere and the walls of buildings are daubed with the inscription: "We're with you, Dzhokhar. Freedom or death!"

"In the elections people will vote for anyone who is against Russia. When the Russian troops arrived I convinced people not to be afraid of them. I said that we had nothing to fear from our Russian Army. Now I am ashamed to look my fellow-countrymen in the face," Eduard Mashakayev, superintendent of the Urus-Martan ROVD, told your IZVESTIYA correspondent.

The bombing of Roshni-Chu was a marvelous free gift to the supporters of war until victory in the Dudayev camp — Russia is managing to turn the inhabitants of recently loyal rayons against itself and the rebellious president is being given new supporters.

Dudayev's State Committee for the Defense of Chechnya has stated that, because of the air raid on the Chechen village of Roshni-Chu, the talks and implementation of the agreement on military questions are being suspended until the arrival of international observers and UN peacekeeping forces. But Chechen independence rallies are continuing in Groznyy. The demonstrators managed to raise Dudayev's flag over the ruins of the president's palace. Has everything come "full circle"?

Explosion Destroys Chemical Plant in Sverdlovsk

LD1310113795 Moscow INTERFAX in English 1130 GMT 13 Oct 95

[FBIS Transcribed Text] YEKATERINBURG, Oct 13 (INTERFAX-EURASIA) — An explosion inside a shop for mixing explosive substances destroyed half of a chemical plant in the Neviyanskiy District of Russia's Sverdlovsk Oblast, the Sverdlovsk commission for emergency situations told INTERFAX. The explosion took place Thursday night.

There were no casualties in the fully automated shop but a worker in the neighboring shop was badly burnt and was taken to hospital.

The explosion inflicted 3.5 billion ruble damages.

An investigation team that brings together representatives of the prosecutor's office and security officers, as well as an expert commission, are looking into the case.

Economic Issues

Finance Minister Restates Stance on 1996 Budget

MM1210153395 Moscow IZVESTIYA in Russian 13 Oct 95 p 2

[Report by Nikolay Gorokhov of the "Financial Information Agency" especially for IZVESTIYA: "Government Will Insist on Its Version of Budget-96 and Will Try To Show Deputies the Feasibility of Its Forecasts of Achieving 1-Percent Monthly Inflation Next Year"]

[FBIS Translated Text] Finance Minister Vladimir Panskov said Wednesday [11 October] that the government will submit a draft federal budget with what are now well-known base indicators — expenditure of 414.421 trillion rubles [R], revenue of R332.573 trillion, and a maximum deficit of R81.847 — to a plenary session of the State Duma. The budget is based on a forecast monthly inflation figure of 1.2 percent and GDP of R2,100 trillion.

Deputies' serious criticism of the government's draft 1996 federal budget over the last few weeks has failed to put a damper on its desire to bring the battle to a victorious conclusion.

During a special briefing on Wednesday given by Vladimir Panskov, who had returned from Washington a day ahead of schedule evidently to properly prepare for the battle with the Duma scheduled for 13 October, the minister talked about the positions that the government will be upholding.

"The government has no intention of recalculating the draft 1996 federal budget in response to the parliamentary commission's request and the decision adopted by participants in the State Duma budget hearings that the monthly inflation level be raised from 1 to 3-5 percent," the minister said, thus once again reinforcing the gravity of his position.

Panskov did not, however, rule out a compromise solution, which presupposes a rise in the level of inflation to 2 percent, but only "if deputies decide to set up a conciliation commission in line with the recommendations of the State Duma's Budget and Finance Committee, adopted by deputies Saturday 7 October."

According to the minister, the scenario proposed by the budget committee, which presupposes constructive joint work by deputies and the government on the proposed budget projections, is also acceptable and gives rise to hope that the budget will be adopted before the current Federal Assembly's term of office expires.

The minister confirmed the feasibility of the Finance Ministry's calculations based on 1-percent inflation, stressing that computations based on a higher level of inflation would entail insuperable difficulties with the implementation of the economic reform policy in Russia.

Should that happen, the finance minister pointed out, all the government's efforts during the talks with the Paris and London Clubs to reschedule the former USSR's foreign debt would be "nullified."

Agriculture Minister Cited on Grain Harvest, Prices

MM1210134895 Moscow SELSKAYA ZHIZN in Russian 12 Oct 95 p 1

[Report by Tamara Lezhnina: "Figures for First Phase. State Has So Far Only Bought 500,000 Tonnes of Grain. But There Should Be a Minimum of 8.6 Million Tonnes in the Homeland's Granaries"]

[FBIS Translated Text] Will we have our own grain? We can report that at a recent press conference Russian Minister of Agriculture and Food A.G. Nazarchuk replied overall in the affirmative to this burning question that concerns everybody. True, the expected grain yield of 65-66 million tonnes is the lowest since 1965. But the demand for bread grain of 24-25 million tonnes can still be satisfied from domestic production.

The agriculture department head did not conceal how hard it would be to accomplish this task. The federal food stocks have as yet only received 500,000 of a planned total of 8.6 million tonnes of grain. The reason for this is that the Ministry of Agriculture and Food and the Federal Food Corporation are short of funds.

It is very likely that the peasants' crops will be bought up by commercial structures, from which it will prove necessary to acquire the grain later at world prices. It seems that it will prove expensive to obtain the necessary capital from commercial banks at a high interest rate, which threatens to push the price of a loaf of bread up to 5,000 rubles [R]. Therefore, it is considered at the Ministry of Agriculture and Food that the government should defray a portion of the outlay and could arrange this credit as a budget loan at an annual rate of 60 percent.

One thing is clear: We cannot run away from resolving these problems. Either we purchase grain from our own commodity producers today, or tomorrow we will not only be forced to buy it from commercial structures, but from abroad, the minister emphasized. At the same time it cannot be ruled out that our own grain may in the meantime go abroad, to Poland, which has already requested it from us on more than one occasion. A.G. Nazarchuk linked the present situation in the grain market with the departure from the traditional method of financing the agro-industrial complex, which has had a negative effect by weakening the rural areas' materials and technical base. Such a policy threatens the agro-industrial complex with serious problems next year as well. Of 12 million hectares of winter crops, only 1.5 million have received fertilizer; what is more, a significant proportion of them have been sown with nongrade seeds.

It is simply essential for the rural areas to have credit of the magnitude of R20-22 trillion and at an affordable interest rate. It is in these precise terms that the Agriculture and Food Ministry leader puts the question. Otherwise, rebuilding capital assets, acquiring equipment and other absolutely essential resources, and construction work is out of the question.

In reply to a question about how he sees the land market, Nazarchuk said: Until Russia becomes a stable state with a solid legal basis, the question of the free purchase and sale of land is premature.

Chubays: Economic Growth Will Begin in 1996

LD1210095495 Moscow ITAR-TASS in English 0850 GMT 12 Oct 95

[By Andrey Loshchilin]

[FBIS Transcribed Text] WASHINGTON, October 12 (ITAR-TASS) — Reporting to the annual meeting of the Boards of Governors of the International Monetary Fund and the World Bank, Russian First Vice-Premier Anatoliy Chubays pointed out that the Russian Federal Budget's deficit equalled to about three per cent of the gross domestic product in January-September as compared to the corresponding period of 1994. He noted that "all the set tasks are on the whole being implemented". The vice-premier's report was issued here as an official document of the meeting.

"The amount of official currency reserves has more than doubled since the beginning of the year. The introduction of the currency exchange band guaranteed the rouble's relative stability," the document says. "The production slump slowed down simultaneously with this, and economic growth was recorded in some sectors of the Russian industry, primarily in its exporting branches. The drop of the gross domestic product equalled to four per cent during the first nine months of this year as compared to 16 per cent last year. We expect the country's economy to grow next year, for the first time since the beginning of the reforms in Russia."

Pre-Election Concessions Swell Money Supply

MM1210142795 Moscow IZVESTIYA in Russian 12 Oct 95 p 2

[Article by Irina Savvateyeva: "Inflation May Be Falling but More and More Money Is Being Pumped into the Economy"]

[FBIS Translated Text] Despite the recent record low inflation figures (in the first week of October prices rose by just 0.8 percent) October brought with it a note of alarm over the stability of the monetary and financial situation in the country.

The point is that the first highly unpleasant symptom surfaced this month: One of the main indicators of the government and Central Bank monetary program which records the growth in the money supply — the so-called Central Bank credit to broad government [rasshirennoye pravitelstvo] — exceeded its target. In other words, budget funding targets at all levels have been exceeded.

The "overspend" is not all that great at the moment: 300 billion rubles [R]. And according to Economics Minister Ye. Yasin, there is no cause for panic — the problem can be resolved in the normal course of events. Nevertheless, the question of whether the "overspend" was a one-off or the beginning of a new trend is highly topical.

For example, it was suddenly discovered in October that the local organs of power sharply increased their spending. Is this a trend created by a rise in the cost of electricity, tariffs, and municipal services or a coincidence?

Oleg Vyugin, director of the Finance Ministry's department of macroeconomics, was in no hurry with conclusions, noting that the ministry's statistics need careful study and verification.

Meanwhile, Sergey Vasilyev, deputy economics minister, is more anxious about the situation in general. He believes that the R300 billion which "unexpectedly" appeared is the perfectly logical consequence of the situation in the country: The government has "weakened" in the face of very strong pre-election pressure.

In the deputy minister's opinion, what we are seeing first and foremost here are non-budget funds, grain purchases, and the need to fund the Army's food supply, the cost of which was not included in the 1995 budget. And of course Chechnya.

The overspend in terms of non-budget funds is primarily due to the situation affecting the pension fund, where actual revenue is falling catastrophically. On the one hand this is a consequence of the sharp decline in the proportion of wages in the population's incomes which has been noticed recently. This decline in turn is leading to a significant reduction in the tax base — the source of revenue for the pension fund.

As for grain purchases, the state is actually having to fund them once again. The situation in this area is as follows. This year the countryside's debt was dealt with by means of bills of exchange. The assumption was that these bills of exchange would be sold in the market. But under pressure from the agrarian lobby, which has made skillful use of the election situation, what has happened essentially is that another credit line has been opened up for farmers. Generally speaking the sources of finance that the government still has for plugging the various gaps are certainly not without their down side. The Central Bank can buy state securities and gold from the Finance Ministry. The latter can also sell hard currency to the Central Bank, among others.

"Essentially we are talking about additional money supply," Sergey Vasilyev notes. "If the pre-election attack on the government is sustained and this kind of funding is not halted," the deputy minister stressed, "it could all end fairly badly: The monetary program will disintegrate before our eyes, Russia will have great problems obtaining credits from international financial organizations, and generally speaking a country which has grown accustomed to an average inflation rate of 3 percent a month will find it quite difficult adapting to a 7 percent rate."

EBRD Provides $303 Million for Small Business Loans

MM1210133895 Moscow IZVESTIYA (Financial Section) in Russian 12 Oct 95 p 1

[Report by Vladimir Kovalevskiy: "Western Loans Arrive in Moscow. But Only for Small Enterprises"]

[FBIS Translated Text] The European Bank for Reconstruction and Development [EBRD] has begun providing small business loans in Moscow. This project is being implemented in conjunction with the Russian Federation Savings Bank. The EBRD is allocating a total of $303 million.

The EBRD has been providing support for small business in various parts of Russia for 18 months now. In this time around 1,000 loans have been issued. They are being provided in rubles in amounts not in excess of $20,000, at 140-150 percent annual interest. According to EBRD spokesperson Anna Peters-Freitag, the scheme has proven its viability in Russia — there have been virtually no defaulters. During the first phase, loans will be issued in Moscow via a branch of the Savings Bank.

The main condition for the provision of credit is that the client must be solvent. His financial solvency is not only checked out on the basis of documentation submitted (the enterprise balance sheet, for instance), as is usual in our country. Experts especially recruited to the Savings Bank staff visit the borrower's home without fail, study his family and financial status. Anna Peters-Freitag thinks that these studies make it possible to obtain an objective idea of the borrower's entrepreneurial capabilities and potential and to be certain that the loan will be put to use and will be repaid.

Similar loan schemes have been operating in countries with high inflation for about 15 years now. The EBRD has now extended a hand to Russia's small enterprises. World experience shows that recovery from crisis and the rebuilding of the economy always occur via the intensive development of small business. In Japan and Germany, for instance, small enterprises of this kind now account for around 80 percent of all jobs.

Central Bank Money, Credit Policy Examined

MM1210132595 Moscow IZVESTIYA (Financial Section) in Russian 12 Oct 95 p 1,2

[Article by Yevgeniya Pismennaya: "Bank of Russia Promises To Fight Inflation Without Forgetting Interests of Economy as a Whole"]

[FBIS Translated Text] The Central Bank has elaborated the draft basic guidelines for monetary and credit policy for next year. When it was forming them the Central Bank proceeded from the need to further reduce inflation. The slowing down of inflation will lead to a reduction in inflation expectations and will allow real interest rates on deposits to reach positive amounts.

The Central Bank rejects direct credit for the federal budget deficit and the granting of centralized credits to economic sectors. The envisaged budget deficit should be financed from noninflationary sources — through loans on the market.

One of the Central Bank's main tasks next year is to curb the growth of the money mass in circulation. For that it is essential to increase the reliability of the banking system and to increase citizens' confidence in it.

The Central Bank's currency policy provides for two main goals. The dynamics of the currency exchange rate must be brought into line with the development of inflation and the dynamic of the main components of the money mass. It is essential to ensure a currency exchange rate regime which complies with the requirements of monetary and credit regulation and the maintenance of a balanced balance of payments and a high level of liquidity for the Russian Federation to ensure payments on its international commitments and the stable functioning of the system of foreign economic relations.

The Central Bank will regulate market fluctuations in the ruble's nominal exchange rate. The policy of consolidating currency control over export and import operations and the full return of the currency profit from exports to accounts in fully empowered Russian banks will continue.

The Bank of Russia plans to improve the system for monitoring the country's currency market, extending it to the short-term currency market. The bank intends to smooth over and equalize exchange rate fluctuations on various segments of the currency market and its regional and institutional sectors.

In determining monetary guidelines for the end of 1996 the Central Bank has proceeded from the premise that with a substantial reduction in inflation the trend toward the slowing down of the production slump will persist or this slump will be successfully halted. So restrictive monetary policy principles must be retained. But at the same time in the Central Bank's opinion conditions are already ripe for an increase in the money mass in real terms.

But because of the uncertainty in the development of some characteristics of the monetary sphere (like the degree of dollarization of the economy and the structure of the money mass) the bank cannot unequivocally predict the dynamic of the turnover velocity. So an alternative approach toward the elaboration of monetary and credit policy is topical now.

The Central Bank has elaborated three options for guidelines for a unified state monetary and credit policy for the end of 1996 based on two scenarios. Scenario A proceeds from qualitative changes in the formation of the money supply. Scenario B includes existing trends in monetary and credit policy.

Operational procedure for the Central Bank's monetary and credit policy will be based on monitoring of target indicators for the money base in the broad sense (cash in circulation and in the commercial banks, assets in the compulsory reserves fund, and reserves in banks' correspondent accounts).

The Bank of Russia will support the stability of interest rates in the economy. In its short-term policy the Central Bank will consider changes within the year and changes within the month in the banking system's demand for reserves (liquid assets), helping to smooth out excessive fluctuations in interest rates on the money market.

Next year as in the past the Central Bank will not grant new direct centralized credits to commercial banks and re-form existing debts on centralized credits and interest on them.

The Ministry of Finances in conjunction with the Central Bank considers it necessary to examine the question of transferring in 1996 to the state internal debt under the guarantee of the organs of executive power of the components of the Federation the debts to commercial banks as of 1 January next year owed on centralized credits and interest on them by enterprises of the fuel and energy complex and other sectors totaling about 1 trillion rubles [R], extinguishing these debts over the next 10 years in equal shares. These debts can be included in the Russian Federation state internal debt within the framework of the upper limit set for 1996 for the state debt through the Ministry of Finances' issue of promissory notes to the Central Bank to be paid off in 10 years as of 1998 in equal shares with an interest rate of 10 percent per annum.

Alongside the placement of credit resources through credit auctions which have been held every month since January 1994, the Central Bank intends to introduce methods of refinancing commercial banks like Lombard credits and the second discounting of promissory notes.

It is also planned to introduce a new instrument for refinancing commercial banks — operations of the REPO type on the open market (the redeemable contract) with the use of state securities issued on market terms.

The Central Bank is examining the question of granting centralized credits to reliable commercial banks experiencing temporary financial difficulties.

To regulate the volumes of money in circulation the Central Bank intends to expand the instruments of monetary and credit policy by carrying out operations to attract the funds of commercial banks into deposit accounts on a contract, paid basis at a rate lower than the interbank deposit rate. At the same time the Central Bank ensures the 100 percent guarantee of the prompt return of deposits and the interest on them.

The Bank of Russia intends to establish a single rate for all assets attracted (in national currency) for compulsory reserves as a percentage of the credit organization's liabilities (compulsory reserves norm). This will simplify the procedure for accounting and will make it possible to determine more objectively the size of the sum of compulsory reserves.

It is proposed to reduce the period of regulation of compulsory reserves and to make it the same and compulsory for all commercial banks. This will prepare conditions for the gradual transition to a daily regulation of compulsory reserves.

To establish a single methodology for compulsory reserves it is planned to transfer institutions of the Savings Bank to a common procedure for depositing assets in the compulsory reserves fund. Here it is planned to expand the base for the formation of compulsory reserves of the Savings Bank institutions by transferring to the reservation of all funds attracted and not only the increase in the population's investments.

With a view to increasing the commercial banks' liability for observing reserve requires the law "On the Central Bank of the Russian Federation (Bank of Russia)" adopted 26 June 1995 provides for tougher sanctions for the delayed and incomplete deposit of the assets attracted in the compulsory reserves fund. The Bank of Russia has been granted the right to the undisputed levying of unpaid sums and also the use of fines within the established limits but at not more than double the rate for refinancing. The procedure for implementing these rights will be set out in the provision which is being elaborated on compulsory reserves for credit organizations deposited in the Central Bank.

Next year the Bank of Russia in implementing monetary and credit policy intends to continue to use the mechanism of regulation that is the interest rate on its operations. It is planned to maintain the rate for refinancing commercial banks and the rates for the second discounting of promissory notes and for Lombard credit at the level of existing quoted interbank rates designed for credits with comparable repayment deadlines or at a level in excess of these rates.

In establishing the rate for refinancing the Central Bank intends also to consider the influence of interest policy on the formation of expenses on production and consequently the inflation of costs.

Option 1

	Scenario A	Scenario B
Nominal GDP, trillions of rubles	2,100	2,100
Real GDP, percentage	99-100	99-100
Average monthly prices growth rate, percentage	1	1
M2 Money Mass, trillions of rubles	295-313	261-277
M2 Money Mass average monthly growth rate, percentage	3.3-3.6	2.2-2.8
M2 growth rates for the year, percentage	148-157	131-139
Turnover velocity	6.9	7.8

Option 2

	Scenario A	Scenario B
Nominal GDP, trillions of rubles	2,430	2,430
Real GDP, percentage	95	95
Average monthly prices growth rate, percentage	4.5	4.5
M2 money mass, trillions of rubles	316-332	250-276
M2 money mass average monthly growth rates, percentage	3.9-4-3	2.5-2.8
M2 growth rates for the year, percentage	159-166	134-139
Turnover velocity	7.5	8.9

Option 3

	Scenario A	Scenario B
Nominal GDP, trillions of rubles	2,850	2,850
Real GDP, percentage	98-100	98-100

	Scenario A	Scenario B
Average monthly prices growth rate, percentage	6	6
M2 money mass, trillions of rubles	360-374	339-356
M2 money mass, average monthly growth rates, percentage	5-5.4	4.5-4.9
M2 growth rates for the year, percentage	180-187	170-178
Turnover velocity	7.8	8.2

Source: Bank of Russia.

International Affairs

CE President Views Organization's Principles

AU1210151495 Kiev HOLOS UKRAYINY in Ukrainian 7 Oct 95 pp 6, 7

["Exclusive interview" with Miguel Angel Martinez, president of the Council of Europe Parliamentary Assembly, by Volodymyr Skachko Kiev-Strasbourg-Kiev; date not given: "I Already Relish the Beauty of Shevchenko's Testament..."]

[FBIS Translated Text] There is no doubt that Ukraine's joining the Council of Europe is the most significant of recent external political events. It is an indubitable success for Ukraine's Supreme Council and, in particular, for its leadership and for Borys Oliynyk's commission [for Foreign Affairs and Ties With the CIS]. To a large extent, this event is associated with the name of Miguel Angel Martinez, president of the Council of Europe Parliamentary Assembly, who has held this post for the last few years. Next January, Mr. Martinez will resign after, as he says, the tasks he was given have been largely fulfilled.

In May 1995, during his visit to Kiev, Miguel Angel Martinez, an ardent advocate of Russia's admission to the Council of Europe, acknowledged that, in the aftermath of the events in Chechnya, he was among the first to speak against this and switched his attention to Ukraine, thereby recognizing the democratic character of the transformations that are under way here.

[Oliynyk] Senor Martinez, are you pleased with the results of your work as president of the Council of Europe Parliamentary Assembly?

[Martinez] I belong to the school of realistic thinking that proceeds from the fact that only what is possible may be achieved. I tried to act accordingly, clearly realizing what we can achieve and what is unachievable today.

Of course, I am pleased with what we have achieved, but I am trying to look at it objectively. This is an encouragement for what has been achieved and a source of self-esteem and continued progress. This supports us in striving to achieve what we have failed to accomplish.

Speaking about the results of work over the last four or five years, nobody expected or even dreamed about what we managed to do over this period of time. Just four years ago, huge numbers of people looked on European values as a dream. Now, they have been introduced to them and have become, so to speak, their consumers. This is a historic success.

I am not a very reserved person and believe that, to a large extent and in some aspects to an even greater than large extent, I also have something to do with this. I am more aware than anyone what problems lay on the road to the admission of these countries, problems both obvious and hidden. Of course, I am very pleased to see how many new people have passed from one category to another. How many countries have become upgraded from candidates to full members of the Council of Europe and how many countries have become candidates, for example, Russia.

Much has been done apart from a simple expansion of the Council of Europe. We have achieved greater progress in modernizing and expanding the doctrine of human rights by including into it the right to culture, economic rights, a qualitative improvement of relations between men and women, and an improvement in ethnic minority rights.

We also work in previously little known but no less important spheres. Such as, for example, bioethics and more extensive use of satellite television. The main thing is that we have brought these concepts into line with contemporary requirements, which they lacked four years earlier. This, incidentally, explains why such countries as the United States and Japan, which had previously lived quietly for 40 years, never strived to join the Council of Europe and ignored its activities, turned to us a few weeks ago and asked to be given observer status.

[Skachko] Are there any mechanisms for control over compliance on the part of new countries that have become members of the Council of Europe with the organization's requirements? Do they not change in connection with some unusual situations that emerge within these countries?

[Martinez] I do not generally like the word "control." We do not even have such a category as "new member." There are candidates and full members, and there must be confident and amiable relations between them. We proceed from the assumption that every country that joins the Council of Europe takes upon itself an obligation to achieve a certain progress. We want to help it cope with this task. I would rather speak in terms of monitoring. It is not some police system or imposing one's own principles. The Council of Europe is the choice made by each country, and it does not need to please or displease anyone. A particular country must act in such a way as to fulfill its obligations, first and foremost, before its own people and not to please the Council of Europe. We are like a joint venture that helps you, for example, to proceed along the path you have chosen for yourselves. Besides, I do not quite understand what "an unusual situation" means.

[Skachko] For example, the Council of Europe set additional requirements for democratization in Turkey.

[Martinez] Greece is a better example. There was a military coup there, the parliament was disbanded, and Greece was compelled to leave the Council of Europe. In Turkey, there was also a military coup in the past, and its membership was suspended until the situation changed. We advance the same requirements for democratization for everybody. This is not a problem for new members of the Council of Europe, because Turkey is a founder country. We do not have rules for new or old members, but we simply have common rules for everybody.

[Skachko] Will not Ukraine's joining the Council of Europe change the political balance on the continent, especially in view of what is said in Moscow about the creation of a new Eastern European political alliance?

[Martinez] I do not think so. We are like a table where every European country has its chair that will, sooner or later, find its master. I always look at the political map of Europe. Before Ukraine occupied its position at the common table, the map looked like an incomplete crossword. It had a big white gap that had to be filled in so that there would not be a bigger whole through which water and European values would leak out. Our mosaic must be complete, otherwise it will not work. Ukraine's place in this mosaic is quite significant and I believe that, in a few weeks, we will fill it in completely. When I was in Kiev, one of your people asked me at the airport: "Do you believe that next year Ukraine will become a member of the Council of Europe?" I answered that I would not yet be too old when Ukraine joins us. It was a very risky statement on my part, but today I may say that I won the bet — two bottles of champagne, and I hope that it will be Crimean champagne.

[Skachko] Senor Martinez, what do you mean by the concept "democratic security" which is increasingly spoken of in Europe?

[Martinez] It is the expansion of democracy to all parts of the world. Expansion in depth rather than in breadth [ne vshyr, a v hlyb]. It is a cultivation of democracy that is determined by two factors. First, without democracy, there is no security or genuine stability. When there is no democracy in a country, it may seem to be stable. However, this is a very illusory impression. Democracy is the only thing that guarantees stability for the people, because it is the only system that enables all problems to be resolved with the participation of the people and for their benefit. At any rate, for the benefit of the majority of people. History has shown that if this is the case, less mistakes are made. Second, democracy is something that can never be ultimately achieved. Like at the Olympic Games where the prevailing motto is "Faster, higher, and stronger." Democracy also comes from one's neighbors. Democratic security implies consolidation of democrats in the whole world.

[Skachko] After the decision on Ukraine was adopted, Vladimir Lukin, head of the Russian delegation, said at a news conference that "Russia's resentment increases over the double standards" and accused the Council of Europe of engaging in political games that, according to him, take place during the admission or nonadmission of new candidate countries. What is your attitude to this?

[Martinez] I can understand him, but I do not agree with what he says. Of course, they are disappointed. They hoped that Russia would be admitted in May 1995, but the events in Chechnya had changed the situation entirely. It is not our fault that we could not admit Russia. It is their problem. I am personally all for admitting Russia to the Council of Europe as soon as possible. This would be to everybody's advantage and I hope that it will take place. Incidentally, I am also very disappointed that such a great candidate country could not join us during the period of my presidency.

I have two great disappointments. They concern Russia and Bosnia-Herzegovina. Two black pages in the bulky book of my presidency. However, I am an optimist: Perhaps, I will no longer be president and will not be the father when these "babies" are born, but everybody will remember that I was there when they were conceived. Generally speaking, the process of conception is much more gratifying than birth proper.

[Skachko] Perhaps, Ms. Lennie Fischer, your successor at the post of president, being a woman, understands this better?

[Martinez] I hope that she will be a better "father." I know, however, that I will still have to put in much effort to have these two questions resolved positively. One of the most unpleasant aspects of my work is that I have to exert pressure. Incidentally, until last Monday, I kept wondering whether Ukraine would or would not be admitted. Once this happened, we immediately switched our attention to Macedonia. Macedonia was admitted, and now I must turn to Russia. Of course, this is very tiring. This has continued throughout the 1,359 days of my presidency and will continue for about another 100 days.

However, now, when my tenure is expiring, I already relish the beauty of Shevchenko's "Testament" ["Zapovit" — poetry]. I am getting ready for a visit to Kiev. When I was there, the weather was very nice, it was spring. Now, I want to visit Ukraine and look at it in January, in winter, when it has become a full member of the Council of Europe. Ukraine is the largest country that has joined us during my tenure. Of course, I wish you every success!

Kiev Asks G-7 for $3.2 Billion To Close Chernobyl

LD1210204795 Kiev UNIAN in Ukrainian
1850 GMT 12 Oct 95

[FBIS Translated Text] Kiev 12 Oct — Ukraine has asked the G-7 countries for a grant of $3.2 billion to fund the closure of Chernobyl AES [nuclear electric power station], Nur Nihmatullin, first deputy chairman of the Ukrainian State Committee for the Use of Nuclear Power, told UNIAN after two days of talks with G-7 experts.

The money will be used to fund projects to guarantee safety during the closure of the nuclear plant, improve safety provisions at the third power unit that will remain in operation until the year 2000 and the Shelter facility [a containment structure over the crippled fourth reactor], and ensure the safe disposal of radioactive waste.

Ukraine expects $2.5 billion from the West to finance profit- making projects involved with the closure of Chernobyl AES. These include the completion of two new power units at Rovno and Khmelnitskiy nuclear power plants and the restructuring of the nuclear industry.

Czech Official Does Not Discount NATO Nuclear Deployment

WS1210132795 Kiev INTELNEWS in English
0215 GMT 12 Oct 95

[FBIS Transcribed Excerpt] Kiev, Oct. 10 — The deployment of NATO nuclear weapons on Czech territory following the country's admittance to the organization is not out of the question, the Czech Republic's Foreign Minister Yosef Zieleniec said this week.

On an official visit to Kiev, Zieleniec on Tuesday [10 October] said, "The Czech Republic wants to be a member of NATO with all the rights and obligations including this question."

Zieleniec said "NATO is a democratic organization that constitutes a danger to nobody." [passage omitted]

Udovenko: Sanctions Against Belgrade 'Ineffective'

WS1210120795 Kiev INTELNEWS in English
0215 GMT 12 Oct 95

[FBIS Transcribed Text] Kiev, Oct. 11 — Economic sanctions against Yugoslavia have proved ineffective, Foreign Affairs Minister Hennadiy Udovenko said Tuesday [10 October] at a regular ministry briefing.

"The shadow economy was created and fights against these sanctions," he said.

According to Udovenko, Belgrade "has all kinds of goods, including weapons."

If you would come to Belgrade today, you would not find any evidence of sanctions, Udovenko said.

Regarding a continued Ukrainian contingent in U.N. peace-keeping operations in the former Yugoslavia.

"I can't imagine that we would shoot somebody," Udovenko said. "It doesn't meet our interests. Even if we continue to participate in UN peace-keeping operations, we would take part in those operations that do not require using weapons," he added.

"Up until now, nobody has asked Ukraine" to take part in U.N. peacekeeping operations under NATO control. "But the question of participation in such operations by non-members of NATO is under examination," Udovenko said.

Udovenko also emphasized that Ukraine has not yet worked out its political decision on this matter.

According to Udovenko, this political decision is one of Ukraine's priorities. However, "Shmarov and I did not yet have a meeting on this matter," Udovenko said.

Kuchma Meets German Officials, Views Russian Relations

LD1210205195 Moscow INTERFAX in English
1805 GMT 12 Oct 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Ukraine is interested in a normal relationship with Russia and the continuation of stability in the eastern neighbor country, President Leonid Kuchma declared during his Thursday meeting in Kiev with a delegation of state secretaries from Germany.

The deputy head of the presidential press service Andrey Chirva told Interfax that the process of building new Ukraine and new Russia is a lengthy one.

Kuchma stressed that Russia is and will remain the main partner for Ukraine. Speaking of the Black Sea Fleet problem he said he sent a letter to President Boris Yeltsin calling to step up efforts at the level of prime-ministers instead of communicating through the media.

"There is actually no work. If the situation continues, I do not see how it can resolve the problem. And this is not Ukraine's fault," he said.

Kuchma was critical about the idea of a referendum on the unification of CIS Slavic countries. In his opinion, Russia and Belarus, for instance, should observe the terms of a customs union in order to cooperate normally. "We should cooperate and understand each other without dragging peoples into that," he remarked.

He voiced satisfaction with the approval of the government program by parliament and stressed that Ukraine will follow the road of reforms approved by parliament last year.

Kuchma was satisfied that the agreement on regular exchanges of delegations with Germany reached during his visit to Bonn last July is taking concrete form. He spoke of the special relationship between Kiev and Bonn and voiced the opinion that Germany could play a special role in Ukraine's life.

Kuchma also expressed his idea of the Chernobyl problem. He felt that the final decision on the closure of the nuclear power station should be made by the end of the year. "We need a program, not a concept," he stressed.

(Last spring the Ukrainian leadership announced intentions to shut down Chernobyl by the end of the century, if the West helps build substituting power stations and resolve personnel problems.)

IF Note: The German delegation is in Kiev to analyze and assess the state of bilateral relations, study their prospects and prepare the visit of Chancellor Helmut Kohl planned for next year.

It should also complete work on an agreement on military cemeteries, the restitution of cultural valuables and the migration of ethnic Germans from other CIS countries to Ukraine.

Joint Ukrainian-U.S. Military Exercises End

LD1210101995 Moscow ITAR-TASS in English 0849 GMT 12 Oct 95

[By Ninel Kiselevskaya]

[FBIS Transcribed Text] LVOV, October 12 (Itar-Tass) — Soldiers from the 82nd airborne division of the United States and a mobile air detachment of the Pre-Carpathian Military District are over. [sentence as received] They were held in the Ukrainian townlet of Khyrov in keeping with the NATO "Partnership for Peace" programme.

A platoon of American paratroopers from North Carolina exchanged tactical experience and acquainted themselves with the equipment, weapons and exercise methods used by the Ukrainian detachment. The Americans lived according to Ukrainian army rules. They have passed practically the entire training course, used to drill young Ukrainian soldiers, have studied the designs of the parachutes they use, practised some parachuting methods, and took part in firing exercises. The Americans did not take part in parachute jumping exercises, since this would have required an at least one week longer training course. Hence, they have only watched the actions of their Ukrainian colleagues, who made more than 160 parachute jumps during only one day of the joint exercises. Most of them were jumps with a 15 seconds parachute opening delay. In turn, the Ukrainian servicemen were able to watch the landing of an American air assault group.

Officers of a Romanian mobile air battalion attended the joint exercises as observers. Noting the excellent training of Ukrainian paratroopers, Colonel Serban Kantuniari expressed readiness to invite Khyrov paratroopers for joint training in Romania.

Kiev Expects To Import Kuwaiti Oil in 'Near Future'

AU1310095795 Kiev HOLOS UKRAYINY in Ukrainian 10 Oct 95 p 6

[Report by Valeriy Druzhenko: "A Breakthrough to the East"]

[FBIS Translated Text] **Ukraine's interparliamentary ties are gradually expanding. This is also promoted by Ukraine's Supreme Council Commission for Foreign Affairs and Ties With the CIS. Last week, Borys Oliynyk, head of the commission, and the deputy chairman of Kuwait's National Congress, who headed a Kuwaiti delegation to Kiev, held a joint news conference.**

Ukraine's interparliamentary activity is gradually advancing to the east. Of course, this does not signify our politicians' desire to abandon the largely explored Western regions. However, the "breakthrough at the Eastern front" has opened up new potential possibilities for Ukraine.

By contrast to bilateral relations at a governmental level, interparliamentary ties are just gaining momentum. The visit by the delegation of Kuwait's National Congress is the first meeting of our people's deputies with parliamentarians of a friendly state.

Kuwait is primarily known in the world for its crude oil. Ukraine also expects, in the near future, to import Kuwaiti "black gold." During the meeting between Salekh Yussef al-Fadal [name as transliterated], head of Kuwait's National Congress, and Ukraine's Supreme Council Chairman Oleksandr Moroz, they discussed a possibility of oil deliveries by tankers to Odessa where an oil terminal is under construction.

Kuwait is perfectly capable of helping Ukraine avoid a crisis situation with regard to energy sources, considering that its explored oil reserves account for 10 percent of world ones. The price of oil is $17.5 per barrel. Altogether 920 oil wells work for the economy of this Near Eastern country. Kuwait extracts 800,000 barrels of oil a day. More accurately, it used to extract.... As a result of the Iraqi aggression, Kuwait's national economy complex was virtually totally destroyed. According to official estimates, the total volume of losses amounts to between $60 billion and $100 billion. The oil sector suffered the most. Seven hundred and thirty oil wells were put on fire. The operation on extinguishing the fire alone cost $2 billion. Despite protests and resolutions passed by the UN Security Council that recommended that Iraq return to Kuwait the looted material values, compensate for losses, and release prisoners of war, this has not been done to this day. Six hundred and twenty-five Kuwaiti citizens are still held in Iraqi prisons.

During the Kuwaiti delegation's visit, the Ukrainian side undertook to support this state within the framework of the activity of the International Parliamentary Union, help in release of imprisoned Kuwaiti citizens, and insist that Iraq fulfill all international resolutions. Kuwait, in turn, will make efforts to secure the release of Ukrainian POW's held in Afghanistan. Supreme Council deputies got an invitation to visit Kuwait. Not bad for a start.

National Affairs

Prime Minister Marchuk on Government Program

LD1210232595 Kiev Radio Ukraine World Service in Ukrainian 1710 GMT 12 Sep 95

[Report on news conference with Prime Minister Yevheniy Marchuk by correspondent Oleksy Havrysh in Kiev on 12 October; Marchuk's remarks recorded]

[FBIS Translated Excerpt] [Havrysh] Most of the news conference was devoted to the government's program of action — which was approved in parliament on 11 October — the debate on the program, and various issues that were raised during the debate. [passage omitted]

The left-wingers failed to convince the government as they put forward their main argument: The Cabinet of Ministers cooperates with international financial institutions that allegedly want to buy Ukraine in bulk and by retail. We have been cooperating and we will be cooperating [with international financial institutions], the prime minister retorted.

[Marchuk] We have been cooperating and we will be cooperating with international financial institutions, in spite of any criticism and no matter where it comes from. One of the reasons for this is the fact that Ukraine has found itself, as a result of previous management, in an extremely difficult situation. Without attracting serious, rich foreign investors, it will be very difficult for us to get out of the deep crisis we find ourselves in, especially in some industries. There should be no illusions here. There is another question. There are fears that they [international financial institutions] will buy [Ukraine], plunder it and so on. Of course no one will ever allow this to happen. Although, at a time when our budget deficit for next year is planned at the level of 6 percent, when our debts stand at $8.8 billion — and these are heavy and complicated debts — and when we are facing a reform of the entire power engineering system — I would not like to take your time, but if you are interested to know I will tell you that dozens of billions of dollars are required. We cannot afford to spend that amount of money.

The coal industry, the power engineering industry as a whole, and a closed-cycle production of fuel for nuclear power stations require more than $1 billion. We do not have monetary resources for this. There are many other spheres [that need investments]: the reform of the agro-industrial complex is one of these. It is clear that, first and foremost, we will definitely cooperate and obtain credits so as not to neutralize or suppress the domestic producer but, on the contrary, to create production cycles in the country. However, this should be done by means of attracting foreign credits and foreign investors. [passage omitted]

[Havrysh] Marchuk also shared his views on a number of other urgent problems. This is what he thinks about progress in the talks with the G-7 leaders on the closure of the Chernobyl nuclear electric power station [AES]:

[Marchuk] The issue is not a simple one, and to some extent we have complicated it ourselves. By now, we have rectified most of our mistakes. For example, there was a situation when the minister would say one thing, the committee another, and the plant director something different. By now we have developed a state policy on the matter, which is being outlined in the president's statements.

I think the figure of 4 billion [dollars] should not have been mentioned. The closure of Chernobyl AES may cost more or may cost less, but the figure of 4 billion will scare off anyone. I had a long talk with U.S. Vice President Al Gore, as well as with the European Union leaders. As you know, the Ukrainian president has written to the G-7 leaders stressing that we are prepared to do it, but we cannot face the problem alone, we simply do not have the resources.

However, I think that very soon we will have a reaction from the G-7, one which would be acceptable to us. We are familiar with the amount the G-7 is allocating. It is quite a large amount. It may not conform to certain requirements, but Gore, as well as other G-7 leaders, and the experts who come here, are telling us: Why haggle about amounts now? Give us projects and schedules. We have prepared such projects and we will see what you are proposing, and the G-7 is proposing several ways of dealing with the problem. Then we will calculate. But if we say from the start, $4 billion and no less, this is no way to do serious business. Therefore, I think the problem will begin to be resolved, may be not 100 percent, but there will be a breakthrough in terms of G-7 aid. [passage omitted]

[Havrysh] This is how the prime minister explained this fall's leap in inflation:

[Marchuk] We have not been able to analyze the September inflation factor by factor because these indices will be not available before the end of October, and only then will we be able to give an absolutely accurate account of the causes. But the general cause is clear. If you monitored the pattern of inflation in the last three years, you would see that this used to happen every year. There was a leap in inflation every October and November. This is a major sign of the need to greatly speed up the structural reform in the economy. No matter what we do at the top, at the fiscal and monetary level, if we fail to achieve radical restructuring at the level of individual enterprises, at the level of material production, if we fail to change its structure then the factors generating these occurrences will remain.

As to whether this was expected or not, I was asked recently why the government did not risk monetary reform. Had we ventured into monetary reform, and had a hryvna now, and, right away, a 14 percent rate of inflation, would this have been a favorable climate for the introduction of a new currency? Plus the internal debt. So this did not come as a big surprise. The only thing I can say is that we did not expect this particular rate. But, again, a factor by factor analysis will be made later, although we are familiar with the main elements of the cause.

[Havrysh] What is the state of the 1996 budget and how is the 1995 budget being implemented? Marchuk says:

[Marchuk] The previously drafted version of the budget, signed by the president, was submitted to the Supreme Council in due time. It was repeatedly discussed in the [Supreme Council] standing Commission for Budget Affairs led by Mykola Azarov and in other commissions. The thing is that there exist different methods of calculating the gross domestic product [GDP]. After the above version of the budget had been submitted, the Ministry of Economy — as a matter of fact, I myself had to take the decision, to commit a sin, as they say, in order to make the budget more realistic — let them criticize us for the delay. Therefore, instructions were issued to...[pauses] On the basis of new, more progressive calculation methods the GDP was estimated at 7.8 trillion karbovantsy. In connection with the fact that the GDP was recalculated — it differs from the previous one by 500 billion karbovantsy, and this is essential — the Ministry of Finance was obliged — and it was right, I am again saying that I am to be criticized for this — to recalculate the whole budget on the basis of the new, more realistic GDP. The budget was made on the principles set out in the budget resolution by the Supreme Council: The budget deficit of six percent in relation to the GDP. What ministries and departments submitted, exceeded the GDP by at least 400 to 500 percent. Therefore, the first version of the budget provided for the budget deficit at a level of approximately 12 percent; and after the budget had been updated, the budget deficit was planned at a level of 6 percent.

As regards the implementation of this year's budget, it is clear that the most serious problem here is that of the revenue, expenditure also being [word indistinct]. I said this yesterday and I will repeat it now: The situation with taxes is catastrophic — almost 40 percent of taxes fail to reach the budget. There are many different reasons for this; however, the main and the most serious reason is the absence of budget discipline. This is a sign of a weak state and weak central authorities. Faults or shortcomings of this kind are corrected in a very tough manner, as you know, and they will be corrected in the near future. There are regions that allow themselves to manipulate the budget easily, I mean taxes, first and foremost; there are enterprises, and so on. The activities of ministries and ministers personally will be assessed according to top priorities proceeding from the following: How a minister or ministry ensure the implementation of the budget; above all, the budget revenue; and then other parameters will be taken into account. The same will apply to chairmen of regional, district, and city state administrations.

[Havrysh] Ukraine has made great steps toward improving the investment climate. However, for some reason, in other countries they know very little about this.

[Marchuk] Well, as far as the investment climate in our state is concerned, Ukraine's information and propaganda activities are rather poor, although some work toward that end is being done. When I happened to speak at the U.S. Chamber of Commerce in the presence of representatives of over 100 large firms, banks, and so on, and when the presenter introduced Ukraine, the businessmen were very skeptical because the preliminary information — although it was not negative — was presented in an exaggerated manner. Then on the 10th minute of my report, which lasted approximately 30 to 40 minutes, when they heard what was going on here [in Ukraine]...[pauses] Many of them just did not know whether it was already possible to transfer profits from Ukraine, that the land under facilities could be formally [word indistinct] for a term of up to 90 years, or 99 years with subsequent extension, that the exchange rate of the karbovanets against the dollar was stable — within the limits that we set of course — that any foreigner had access to the currency exchange — nobody knew anything about this.

Therefore, creation of the investment climate, to say nothing about all legal parameters...[pauses] There are two most important issues — stability of the tax policy and payments for land. Well, there are also issues of protecting investments and so on. On behalf of the government, two structures have been set up, as you know: Derzhkominvest [State Committee for Investments] led by Borys Sobolyev, which will concentrate, correct, and coordinate investments, and the department for technical assistance led by esteemed Lada Pavlikovska, which is also tackling and will be tackling these problems, although from a somewhat different aspect. In other words, two specific departments were formed in Ukraine in order to provide foreigners with access to information and assistance. [passage omitted]

A tax code has been drafted. At present, it is being examined at the president's administration. This is a complicated book, as they say, and next year we will probably be ready to adopt the tax code. However, we had submitted the program of the tax policy fundamentals to the Supreme Council back on 11 September this year.

[Havrysh] One of the painful issues is the provision of Ukraine's national economy with energy. Marchuk told the news conference about the state of the negotiations with the Russian Federation on gas deliveries. He also said that the huge fuel debts made by previous governments were being paid off. The prime minister also told the journalists about the work being done in Ukraine to create alternative energy sources.

[Marchuk] First of all, this is the development of Ukraine's own deposits, especially those in the Black Sea — the Sea of Azov shelf. These deposits are rather promising. Besides, this is the use of wind-powered generators for the production of electricity. These are already functioning at Donuzlav [a harbor used as a naval base in Crimea]. There is a rather large testing ground there for wind-powered generators. They are functioning well enough and rather effectively. The generators are manufactured in Dnepropetrovsk. This also has good prospects for the future, although it is clear that one should not count on them [generators] as the main substitute for other sources of electric power. However, this is a good supplement in conditions of the shortage of electricity here in Ukraine.

We held a tender several days ago; to be more precise, it has not yet been completed — we are creating our own closed-cycle production of fuel for nuclear power stations. This is a very large-scale and expensive project. We invited various firms, including Russian firms, the well-known U.S. firm Westinghouse and others to take part in the tender. We will not be able to implement the project independently; however, we will have our own cycle for the production of nuclear fuel for our nuclear power stations.

As regards other trends — solar energy and so on — work is being done toward that end. However, the most important, as I have already said, is nuclear power engineering, which now accounts for 30 percent of the total volume of electricity produced. We are planning to increase this figure to 40 percent. Next go thermal power stations and hydroelectric power stations. While in the United States, we signed an agreement with the World Bank on granting Ukraine a credit of $115 million on favorable terms for the modernization and rehabilitation of our hydroelectric power stations. Their potentials have not yet been used here in Ukraine.

[Havrysh] Prime Minister Marchuk also answered other questions from journalists.

Kuchma Hails Parliament's Approval of Government Program

LD1210205395 Moscow INTERFAX in English 1805 GMT 12 Oct 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] The parliamentary approval of the government program is a very positive step that in some sense gives confidence to the whole country, President Leonid Kuchma told the press in Kiev Thursday, the day following the parliamentary decision which he described as fateful.

In Kuchma's opinion the resolution demonstrated that there is a majority capable of decision-making in parliament. On the whole Kuchma called the approval a major event and a holiday for Ukraine, a day when it became clear to everyone that the country will continue advancing along the road of reform.

IF Note: On Wednesday evening the Ukrainian parliament approved the cabinet program of action on the whole. It instructed the government to take into account the proposals and remarks made during the debate and submit a plan of concrete steps simultaneously with the draft of the 1996 budget.

During the roll call on the resolution submitted by eight groups and factions it was supported by 234 deputies. 61 out of 323 attending deputies voted against and 17 abstained.

In an exclusive interview with Interfax Wednesday Kuchma was optimistic about the upcoming resolution and assumed that the program would have the general approval and the cabinet would get a chance to implement it.

However, in his opinion the mixed and politically unstructured parliament would not be content with any program. Kuchma called absolutely impermissible the actual delivery of an alternative program by Natalya Vitrenko during the program debate.

IF Note: On the pretext of expressing a special opinion, as speaker Oleksandr Moroz put it, Vitrenko made a statement in which she actually described the fundamentals of an alternative economic program worked out by the Socialist Party.

According to her, the main difference of the Socialist program was the renunciation of privatization in industry. The maximum profit tax should not exceed 45 percent. Besides, the Socialist program implied a tax recess for priority productions.

Vitrenko was convinced that the Socialist program would triple company profits, double actual earnings in industry and reduce prices by one third.

In the president's opinion the parliamentary debate also demonstrated the unacceptability of Moroz combining the posts of parliamentary speaker and leader of the Socialist Party.

IF Note: At the Wednesday evening session Moroz said he was categorically opposed to making land a commodity. In his opinion the government program contains an ill-disguised assumption of that.

Moroz called trade in land a crime against Ukraine. "I would insist on dropping these paragraphs from the program because they are a threat to the future," the speaker said.

Prime-Minister Yevheniy Marchuk called Vitrenko's speech a planned provocation against the government.

After the speech he told deputies that the announcement of an alternative program at the session is not provided for either the constitutional agreement, or the regulations of parliament.

Before the government program was put to vote Marchuk made his final speech and described as the objectives of his cabinet a balanced budget and support for production. The prime-minister described the program as a foundation for guaranteeing true advancement.

He stressed that settlements with Russia have been organized during the past year and the Russian positive attitude has helped restructure the debts for gas deliveries.

According to the prime-minister, Ukraine's foreign debt amounts to $8.8 billion. "The IMF is helping us in settlements for the debts and thus working for the government," Marchuk declared.

He gave a news conference in Kiev Thursday where he announced that the cabinet would immediately pass a resolution to enforce the program after finalizing it.

He said the enforcement mechanism would contain a concrete schedule and a list of responsible ministers. Marchuk stressed that the enforcement of the program largely depends on its implementation in the provinces.

The prime-minister announced that cabinet members would meet Thursday the leaders of eight parliamentary groups that supported the program. He also intended to propose the formation of a government alliance in parliament. He specified that it would be an alliance supporting economic reforms.

In reply to a question whether he would head the alliance, if elected to parliament (Marchuk has been nominated candidate in Poltava region - IF), the prime-minister said he has not met voters or decided whether he would run in elections.

Presidential economic advisor Anatoliy Halchinskyy told Interfax the parliamentary resolution is a confirmation of the course of amending economic reforms proclaimed by Kuchma last April. According to him, the government program is a concentrated reflection of this course aimed at an active industrial and social policy on the basis of financial stabilization.

The support of the IMF for the efforts of the government to carry out the course is an indicative fact, the advisor said.

"All that proves that the presidential course is balanced and optimal and meets the political as well as economic realities of the day," Halchinskyy said.

Deputy Prime-Minister in charge of economy Roman Shpek named as the main distinctive feature of the cabinet program its concentration on achieving economic growth on a realistic basis.

In an interview with Interfax he said the program is built on the foundation of financial stabilization and the transition of the emphasis to the micro level. In Shpek's opinion industrial growth could be achieved in 1996.

"We count on financial stabilization. This will result in a decline in lending rates. Companies will get a chance to accumulate profits and turnover capital will not lose its value due to inflation. This will give an impetus to economic activities," the deputy prime-minister said.

Shpek also said that in 1996 the government intends to draw about $2.5 billion in loans from international financial organizations as well as loans on a bilateral basis.

Kuchma Rejects Cooperation With Supreme Council

LD1210190395 Kiev UNIAN in Ukrainian 1700 GMT 12 Oct 95

[FBIS Translated Text] Kiev — There will never be any cooperation with the Supreme Council majority, said Ukrainian President Leonid Kuchma at a meeting with representatives of Ukrainian youth organizations. The president was commenting on the parliament's vote earlier today to raise the low-income threshold.

Ukrainian Prime Minister Yevhen Marchuk told the Supreme Council yesterday that such a move would require 500 trillion karbovantsi, more than the state could afford. According to President Kuchma, today's resolution was a populist act designed to discredit executive authorities and show off the parliament as the only one concerned about people's well-being.

Economic Issues

Marchuk Presents Economic Program

LD1210144095 Kiev Radio Ukraine World Service in Ukrainian 1915 GMT 11 Oct 95

[Address by Prime Minister Yevhen Marchuk to Ukrainian Supreme Council session in Kiev on 11 October — recorded]

[FBIS Translated Text] In accordance with the constitutional treaty, the Ukrainian Cabinet of Ministers has submitted a program of its activities to the Supreme Council. The analysis of the socioeconomic situation in the country reveals its exceptionally complex and contradictory nature. On the one hand, there are grounds for stating, cautiously, that there have been certain improvements for the better connected with the initial and the most difficult stage of reforms. I have in mind, first of all, the practical steps toward the establishment of a market economy as a functionally complete system and a strategic aim of the policy that is being implemented.

The non state sector of the economy is developing. The creation of a diversified structure of privatization has given it more dynamism and helped to make the process more manageable. Budgetary relations are being formed through the delimitation of powers at the centre and at local levels and the state budget is being freed from the functions that are not characteristic of it. The rate of increase in the country's foreign trade turnover is rising. Exports are on the increase despite the general decline in output. The structure of foreign trade and interstate economic relations is improving. The exchange rate has been unified and the currency market is developing. The establishment of the banking system and a network of financial agents is nearing completion. About 60 general state and sectoral programmes are being drawn up and implemented. They are aimed at resolving important economic tasks, above all energy conservation and the construction of airplanes, missiles and shipbuilding, the production of Ukrainian electric locomotives, trams, trolleybuses and buses. On the whole, it is possible to say that we have created a framework for stabilization, and for the first time this has been achieved by economic means of regulation.

However, we have not succeeded in strengthening the positive tendencies and making them irreversible. Moreover, notable signs of economic and social instability continue to exist against this background. That which we have achieved has had little effect on the health of the national economy and, first of all, production as its main component, and, in the long run, on the living conditions of the people, on their well-being. The reality of the present moment is the continuing, albeit slowing down considerably, decline in output, the winding down of business and investment activity, the deteriorating situation in the fuel and energy complex, the growth in the negative balance of payments, the criminalization of the economy and the administrative spheres. The insufficient feedback from the measures taken to restructure the market economy was caused by the fact that attention was usually concentrated on individual issues without a properly synchronized approach to their resolution, taking into account their priorities, mutual relations, possible consequences and the overall effect on the socioeconomic situation on the whole, and, apart from that, the degree of the economy's readiness to accept these or those innovations. Thus, price liberalization, being a forced measure to a great extent, came ahead of the establishment of a competitive environment. The currency exchange regulation was implemented in the absence of an established legislative framework. Changes in the tax policy were not fully backed with a single system of taxes, duties and mandatory payments and clear procedures for their collection into the budget. State subsidies were a common practice, along with the funding of expenses without taking into consideration the available budget resources.

Without the required minimum conditions and, first of all, the radical reforming of ownership relations, the state and its institutions were increasingly removed from the regulation and control of the most important components and factors of the national economy. Unfortunately the processes that were taking place in many aspects of the economy were not heeded and this prevented us from making a clear forecast of development scenarios and the socioeconomic consequences, but most importantly, from making appropriate and timely adjustments.

This runs counter to the generally accepted and proven world experience, which teaches that the management of macroeconomic processes during transitional periods and crises cannot be carried out without strong, firm and resolute state power. Ukraine has suffered a significant economic slump and losses and has been almost constantly in a state of hyperinflation. According to some estimates, this period for us has been the longest in the 20th Century. The economy has been highly deficient while there have been virtually no nonemissionary sources of covering the deficit. The investment shortage has forced our country out of the world market of highly technical and scientific goods and left it to consume its own national wealth.

Because of these conditions we have tried to devise the government action program not as a compilation of generally known tasks but as an action instrument for choosing the priorities, ways and means of stopping and overcoming the crisis, creating the necessary conditions for further transformations in the economy and improving people's lives. In a wider scope, the program, as I said, provides a practical basis for the implementation of the conceptual principles of the Ukrainian president's economic policy, announced in October 1994, and the correction of reforms, the need for which was stated in the president's later statements.

The ideology of this document is based on the constitutional treaty, specifically, Article 31, which defines the range of the Cabinet of Ministers' duties and powers. In the course of its finalization, we also considered the recommendations put forward by the all-Ukrainian conference of economists held in September this year.

The program is aimed first of all at the comprehensive integration of urgent practical tasks and the development of a single anticrisis strategy on that basis.

The government sees its main task in ensuring economic growth as a crucial condition of improving the situation in the country, first of all, in the social sphere. A system of the following mutually related economic measures is designed to achieve that aim:

1. Substantial reduction in the rate of inflation from 7.5 percent on average a month this year to 2.4-2.5 percent next year. Among other things, it will make access to credit resources considerably easier.

2. Boosting of the investment process and, most importantly, encouraging long-term capital investment into the production sphere.

3. A structural and industrial policy which would ensure the priority development of the industries working for the domestic as well as the outside market and providing a fast capital turnover.

4. Overcoming the payment crisis. A package of measures, outlined by the instruction of the president of Ukraine, has been developed for that purpose. In particular, it is envisaged to improve the circulation of promissory notes and the state regulation of prices for the products of monopoly enterprises.

5. Relieving the general tax pressure to encourage an increase in business activity. The rate of GDP redistribution through the budget, together with payments to the pension fund, will be decreased to 45-47 percent.

6. Improving the balance of payments, first of all, by stimulating export, and introducing changes to the fuel import and payment procedure and the implementation of energy and resource saving programs.

In the long run, our aim is to stabilize the gross domestic product, ensure its growth and, on this basis, improve the living standards.

Later I shall speak about it in greater detail, but now I would like to draw your attention to another special feature of our program. Its content and general tone is determined by the premise that reforms should not be excessively costly or achieved at any price. The price of reform in general, and the social price in particular, is a category which determines our entire future. We should be realistic and clearly see the main contradiction which adds to the difficulties of our transition, that is the imbalance between the limited resources of the state, especially the financial ones, and the scale and complexity of the problems at hand. Given such conditions, the maximalist principle of here and now is unrealistic. It cannot be sustained even by more stable and regulated economic systems. In its program, the government did not strive to squeeze life into abstract, preconstructed schemes, much less to play up to potential opponents. Its essence is an effort to achieve a concrete and real practical result.

In the overall context of macro-economic stabilization, the primary significance is attached to the growth of real GDP. It is an integral factor which characterizes the efficiency of the economic system on the whole and crucially affects all spheres of social life. Its improvement is the subject of all sections in the economic part of the program, in this way or another. This affects, first of all, the budget and taxation policy. The government is placing the main emphasis on achieving an increase in budget revenue. This does not mean increasing the tax pressure, but ensuring that all contributions payable to the budget are received on time and in full. Of no less importance is the reduction of excessive, unreasonable expenditure which the state is not able to sustain. The government will propose a temporary freeze, for a year or two, on some of the programs we are unable to fund properly.

I should add that the government is working together with the Supreme Council on the reform of the entire tax system. We want to make it more simple and, mainly, stable, ensuring an equal burden on all taxpayers and a more favourable climate for business activity. We are also considering the possibility of introducing, where justified, a tax payable in kind, or in a mixed form. With regard to the relation between this problem and the production sphere, there is a direct connection. The growth of production, together with an increase in sales results in more revenue to the budget.

At the same time, the government will work to achieve a steady and smooth procedure for the payment of taxes into the budget, so that those evading this duty to the state would not be merely getting off with a fright. Such measures will be tough but inevitable. I shall quote just a few figures. Almost two-thirds of businesses which underwent inspection in the first eight months of this year were found in breach of the tax legislation. As a result of inspections, some 50,000 billion karbovantsi were collected for the state budget. This is 150 percent more than the budget expenditure for science, or half the entire spending on defence. This is the price of the situation. And this is only what has been uncovered. On the whole, some 40 percent of payable budget contributions are not being received. Think of how many problems, including social ones, could be solved if these funds were received by the state treasury. Unfortunately, there is only one new law enacted in this field so far, the Law on Enterprise Profit Tax, and it already requires amendment. Other acts from the tax package are still at the drafting stage, having formed the basis of the state budget for the second year in a row.

The core of the work to cure the economy is moving to the regions and the workforce. That is why the reform of budgetary relations will continue with the division of power between the center and the local authorities. This is an important aspect of regional economic policy, the concept of which was approved by the Cabinet of Ministers. At the same time, the government will treat as especially unacceptable and intolerable any incidents of high-handedness in the local distribution of the budget. Since the budget is the main financial plan of the state, stretching the budget will lead directly to its fall. And this will affect not only the economy but the politics as well. This is where the state treasury system comes in, which we hope will start working this year. One of its important functions will be control over the use of budget funds. This will prevent the spending of budget allocations at will. Such tendencies, unfortunately, do exist. An inspection, carried out by the Cabinet of Ministers, revealed that one trillion karbovantsi worth of credits and loans were spent on purposes different from those for which they were issued.

The payment crisis is also having a negative effect on production and the process of financial stabilization. It has turned into a real plague for our economy, having reached truly astronomical proportions. Accounts receivable by Ukrainian enterprises stood at 1 September 1995 at nearly 1.7 trillion karbovantsi and accounts payable exceeded 2 trillion karbovantsi, which is larger than the entire gross domestic product [GDP]. For that reason the budget failed to receive on time nearly 80 trillion karbovantsi. In accordance with a relevant instruction by the president of Ukraine, the Cabinet of Ministers is introducing a procedure under which enterprises will sell their goods only to solvent customers, who can guarantee payment or who can provide security such as property. For this purpose we will activate a mechanism of the mandatory issue of promissory notes to settle debts, including the debts accumulated earlier, with the actual use of bankruptcy procedure and conversion of financial obligations into property liabilities.

I believe this constructive outline of problems and tasks gives an idea about the extreme complexity of the situation in which the government is setting out to step up the financial stabilization, the structural changes, the slowing down of the decline, and increasing production and the GDP. Next year, we expect to maintain the GDP virtually at this year's level. The increase in industrial output is planned within 0.6 percent, that of agricultural production within 0.2 percent. These targets should not be seen as excessively modest. First of all, we clearly see and would like to use the opportunities for their achievement, that is, do what we have been unable to do in the past four years. Second, it is such improvements, although gradual and not always noticeable, that are incomparably more valuable than the torrents of ritual economic rhetoric which has been the background for the continuous decline of these indicators.

The certainty and the feasibility of this task and the future increase in GDP are based on calculations and forecasts. We are talking about real support for Ukrainian producers. The government will make available the necessary conditions for the normal functioning of the productive sphere through improving the legislative base, perfecting the budget and taxation policy, and protection from unfair competition in the domestic market.

The resolution of specific economic issues is now being placed on the businesses themselves. They should take charge of expanding the market for their output, settling payments with suppliers and consumers, looking for sources of investment in production instead of expecting traditional injections, subsidies, and preferential credits and tax benefits from the budget. Obviously such a reorientation cannot be painless. It requires a break with old- fashioned psychological stereotypes. There is no turning back. This is a necessary precondition for adapting to market realities. We are also proceeding from the need to reduce the volume of nonindustrial consumption which at the moment is excessively high and at the expense of this increasing industrial consumption. To put it more simply, we must not consume most of what is created but channel it into the productive sphere for its dynamic development and strengthen the financial base for economic reforms.

It is worth adding that according to valuations, the volume of GDP is now at the level it was in the mid-1970s. Meanwhile, the appetite of distribution and especially consumption continues to increase as if nothing happened. Realization of the importance of this problem at the micro level, that is, at the enterprises themselves, will be insured not by administrative intervention nor by directives from above. The government intends to make use of such conditions and stimuli that would realistically interest workers' collectives not only to increase their income but first and foremost to channel a crucial part of it to generating working capital, to expand and technologically restruct output.

In addition, a routine has already been established which links the volumes of the consumption fund at enterprises with the results of their activities. By no means does this signify the freezing or reductions in salaries. On the contrary, collectives that work efficiently will increase the amount of goods sold and receive an opportunity to increase their salaries. It is necessary to note that the need for adjustment is dictated today by the low level of salaries which is caused first and foremost by the unprecedented low level of output. The permanent deficit in the investment of capital in the productive sphere, as well as most other difficulties in the economy, is caused by inflation and we have succeeded in completely overcoming it. Calculations demonstrate that its reduction to at least 30 percent a year, although even in our conditions this is for the time being very difficult, would enable us to normalize the financial state of enterprises and increase investment activity and output.

In its program the government did not restrict itself to the traditional view for the reasons of inflation which is based on excessive demand for money. The main means of fighting inflation is to reduce state expenditure, obtain additional stabilization credits from international financial organizations, and expand the securities market. It was also taken into account that inflation in Ukraine was caused by the technological backwardness of production, the high material, labor, and energy intensiveness of output, and its corresponding low quality as well as by the monopolism of producers and the low level of use of productive capacities. To counteract this exclusively by means of restricting aggregate demand is not effective because, unfortunately, enterprises favor reducing output and continue to raise the price of their products. What you have is a closed circle. The decline in output is one of the reasons for inflation and in turn it increases inflationary pressures itself because it causes price rises. On the other hand the reduction in budget revenues compels us to print more money.

In order to break this chain the main stake is made on stabilization of prices as a precondition of further increase in production and investment. The development of an optimum corridor in which a strict financial policy would unite with priority financing of the most promising investment projects, including at the cost of the budget within emissions, although planned ones, is also at issue. Rational substantiation of direction of these resources to the material base of the economy and modern technologies will also lead to expansion of volumes of sales and thus to speeding up the movement of commodities. This will stimulate not a primitive feudal barter system but highly organized effective economic activities along the classical market principle with a civilized process of buying and selling in the center and not a primitive barter exchange. These measures will have in their essence and consequences a clearly defined antiinflationary nature. We attribute fundamental importance not to a total financial rescue of enterprises, to which some people are calling us now, but to a selective purposeful investment. However, the state is short of funds to provide fully even for such a selective approach. The government will not and cannot support ineffective enterprises which are effectively bankrupt. The main criteria in the selection of objects for investment will be the following: Solving the issue of energy saving, energy production, and alternative sources of energy supply; production of export-worthy and import-replacing goods and also production of goods of special social importance, that is, medicines, food, and other basic goods; the ability of producers to find and to expand markets for their goods in the country and abroad, and to increase accordingly the volumes of sales; possibilities for speeding up production in adjacent industries, in the entire manufacturing complex and for stimulating full cycles of production cooperation. Intensifying the processes of investment will create favorable conditions for the introduction of a regime which will insure that credits reach their addressees directly without middle men, without loan agencies, and will insure their likewise direct and unconditional return.

Private capital and new forms of mixed investment, that is, state and private, are a prospective reserve which the government plans to involve in the investment sphere. I will also draw your attention to the fact that because of the current relatively high rate of inflation the government, with the help of the National Bank, developed a mechanism of encouragement of investment activities of commercial banks. In particular, if the share of long-term credits makes up at least 25 percent of the total volume of the credit portfolio, such banks will obtain credit support and they will benefit from more favorable norms of economic activities. It is planned to remove restrictions on direct bank investments at the cost of private capital. The complex of tasks for development of securities market includes creating conditions for participation in it of commercial banks.

We are turning, effectively for the first time, to the practice of crediting projects by consortiums mostly through concentrating resources of several banks on the conditions of joint responsibility. Insuring implementation of such projects reduces at the same time the risk that credits will not be paid back. It is clear that strict control and a system of economic sanctions are always necessary in the case of purpose-linked credits in order to insure that the allocated funds should be used exclusively for their specified purpose. Such a mechanism is already being developed.

Our special attention remains focused on the substantial drop in labor productivity. This on is, one hand, a result of the economic crisis and on the other hand it is a negative factor which aggravates it. Unfortunately, it seems that this problem has not particularly interested anybody. It was believed that it was not especially important from the point of view of macroeconomic stabilization. Meanwhile, over the past four years labor productivity in Ukraine has almost halved. The most obvious reason for that is that the production slump was not followed by an adequate reduction in the number of employees. However, it is not just due to simple arithmetic. There were a whole range of interconnected factors, the most crucial of which was the implementation of structural transformations, effective conservation of old cooperation links because of new more effective ones, the spending nature of the economy, the objective unfavorable conditions for restoring production and increasing its technological, organizational, and rationalization level.

I should talk separately about the labor legislation and the system of payment for work. The balance between the real results of work and payment for it has been distorted. Even those imperfect levers which made it possible to maintain that balance on a more or less acceptable level have been discarded. One can speak in general about the ruining of the whole system of payment for work. An unacceptable disproportion has formed not only between industries but within those industries too. The gap between the levels of income from different types of activities is growing, for example, in banking and intermediary spheres on the one hand and in the manufacturing and public spheres on the other. Such deformations and distortions have virtually destroyed work motivation and are intensifying social tension. On final analysis, wages do not provide for normal regeneration of labor and on the other hand they also continue to grow outside the context of the real production effectiveness.

For those reasons the government aims to increase the role and importance of tariffs in the structure of wages, to regulate the impact of the main and additional wages on the cost of goods and services. We plan to sort out the procedure for paying wages in the next few months and to raise the level of responsibility of administration for delays in the payment of wages. From 1996 onward the reform of the entire system of wages will begin and conditions for increasing real income of the population will be created. In simpler terms, people will have a chance to work normally and earn adequately. And to those who have no such chance, that is, pensioners, disabled people, and other categories of the population who are not able to work, the state will guarantee real support. The reforms in the system of pension provision and social insurance are geared toward that.

The government is now preparing proposals to introduce relevant changes to the legislation on pensions. I would like to dwell separately on those problems that not a single member of the government as well as all of you, esteemed people's deputies, can ignore. I have in mind the poverty level, more precisely its size. Last week this again became the focus of intense discussion in parliament. We are also in favor of every person being able to satisfy his more important requirements. But again we must proceed from the real possibilities of the state. One could make a separate speech on this but I will only dwell on the individual and most obvious results which could lead to approval of the poverty level at 4.8 million karbovantsi a month.

First, by the end of the year we would need in excess of 690 trillion karbovantsi just for salaries for state financed institutions and pensions. Second, the enterprises' wage fund would increase by 200 trillion karbovantsi. Where can we obtain these funds if we often do not even have enough money for now? Calculations show that however hard we try to make ends meet we would still need to shed about 5 million workers. Third, cash in circulation would increase by almost 600 trillion karbovantsi thus creating a new wave of inflation owing to which prices in December this year would increase by 64 percent compared to September. Fourth, even if we stop all other expenditures from the budget then after this we would not have the funds to finance expenditures connected with these increases.

This is not simply theory and not an attempt to frighten somebody. Let us remember what the numerous measures in the social sphere in recent years have led to. They were adopted with the best of intentions but without sufficient economic grounds. As a result of this, people spent more than they received. The government cannot, should not, and has no right to deceive itself or the people. We see a way out elsewhere: a consistent but real, that is, an economically well grounded way of raising people's incomes. These are not simply intentions. A package of government decisions has just been published on wages, pensions provision, payment of compensation, and assistance. Wages for a considerable section of workers in the state financed sector have increased from 1 October by 22 percent. We hope that the Supreme Council will support the government's proposals with regard to increasing average aggregate incomes which would enable people to receive assistance.

In addition, decisions are being prepared that would give the badly off a one-time cash payment for the fall-winter period. This is roughly what was done last year. Obviously, all of this is not yet a great deal of money. But it is real money and it will give the people something rather than being burned up without trace in the inflationary fire.

I would also like to add that a system of targeted help and subsidies exists in the state which the government will continue to improve. Through it we are now helping families whose expenditures on utilities exceed 15 percent of their incomes.

There is one more extremely important socioeconomic aspect to this work: an increase in the people's real incomes raises solvent demand and provides a tax impulse and an additional impulse to output.

In this context special significance is attributed to qualitative changes in the pricing policy. A system of issuing every three months for enterprises price guidelines that take into account forecast dynamics of inflation and retail prices will be introduced already by the end of this year.

The focus of particular attention is on the financing processes in basic industries that remain monopolists: the fuel and energy complex, the metallurgy, the machine-building, the power engineering, and the transport. The margins, formed there, can be felt everywhere down the production chain. To avoid [word indistinct] disproportions between industries and other unpleasant surprises, preliminary coordination of terms and levels of those prices in the specified industries is being introduced. This should have a positive effect on the overall price situation in the country. Counteraction to incidents of monopolist and discriminatory prices in the production, supply, and trade sphere remains to be a topical task. It is the price dictate of monopolists and ungodly profits from resale of goods through a chain of intermediary structures that attack the pocket of a customer most of all. Fighting this is one of the main functions of the Antimonopoly Committee. As for the free price creation, its sphere will expand mostly among non-monopolized sectors of economy, where excessive price appetites will be restrained by competition.

The government is prepared to cooperate with trade unions and public organizations in the field of price control, like in other issues, which are connected with the interests of consumers. I would like to illustrate the complexity and diversity of the tasks that the government has to solve by the example of the energy supply, which is one of the most painful problems and directly affects the interests of our national security. The shortage of energy resources is caused not by the fact that there is nowhere to buy them from but by the chronic deficit of funds. Today it is one of the most exhausting items of our import, which represents the main burden on the payment balance and increases its negative balance.

It is generally known that the main reason for excessive energy consumption lies in the deformed structure of the Ukrainian economy, which preconditions its loss making. The adequate structural changes that are aimed at removing such deformations, inherited from the old economic system, have been outlined in the program as one of the strategic directions of the activities. At the same time one should understand that deep structural changes will take more than one year to implement, and they also require astronomical financial expenditure. Therefore we will work actively on what is possible and necessary already today.

We can identify three components of this issue. First, fuller use of Ukraine's own energy resources, which can satisfy up to 20 percent of the need for natural gas and up to 13 percent of the need for oil. To do that there are plans to expand geological exploration, in particular on the Black Sea-Azov Sea shelf, and to use fuller the deposits that have been decommissioned earlier.

As for the increase in production of coal, reserves of which meet the needs of our economy, besides purely technical and economic measures there are plans to reform the management system of the industry and to restructure actively its enterprises.

There is another unforgivably forgotten reserve — the use of local fuel resources, for example, peat. While thinking in global terms one should not forget about what is immediately under one's feet.

Second, search for additional financial sources of payment for the import of energy carriers and improvement of the organization of mutual relations between the participants of this process. To rely only on foreign credits, which are so far sufficient for just about payment for energy carriers, would be shortsighted and dangerous: these credits can disappear tomorrow. It is also extremely unprofitable to live in debt because these debts do not just have to be returned but one also has to pay large sums to service them. Hence it is absolutely imperative that one should earn as much as possible hard currency by any means. This is one of the main motives to stimulate production of export worthy and import replacing production.

To improve the balance of payments the government has drawn up a new system of economic and organizational relations connected with gas deliveries, settling for it and its transit through Ukrainian territory. It will be based essentially on centralization and providing consumers and sellers with the freedom to chose relations between themselves. In other words, within this system the state will stop being a monopolist that was in charge of everything and that almost completely was responsible for all the debts. The establishment and development of market relations between the suppliers and consumers of electric energy and competition between generating companies will benefit from the restructured management in the power engineering sector, which is basically already completed. The government, together with the Supreme Council, will draw up a draft national energy program.

Third, with regard to the importance of the above-mentioned tasks, energy conservation will be the main focus of this work. This will be implemented both through long-term future measures in the form of restructuring as well as through operational and organizatiox0 To the latter, we include the setting up of accounting methods and control over the use of energy resources in the productive and domestic spheres by means of introducing relevant systems and instruments. The tariff policy should become an active instrument in the introduction of the conservation program. Enterprises are entirely responsible for paying for energy, and tariffs and prices for fuel, housing, and utilities are gradually getting closer to their real value.

Obviously this is an unpopular step, but it is necessary and, what is more, inevitable. It is better to pay more for heat and light than not to have it at all. In addition, as I have already said, the government will make use of warning measures mainly through the mechanism of targeted assistance to the most vulnerable strata of the population. The structural and industrial policy is important not only from the point of view of the fuel and energy complex. It is an all-embracing problem that determines the future of our economy. From what has been said I would like to focus on several aspects that describe the unconventional vision of resolving them as seen by the government.

What I mean is to transfer the emphasis onto the sphere that for a long time seemed to remain in the shadows of powerful basic sectors: the light and food industries. In the meantime these sectors that make the final product have a considerable export potential, work directly for the consumer market, ensure a quick return on their capital, provide considerable revenues into the budget, and contribute to lowering unemployment. Unfortunately, such potential advantages as yet remain unfulfilled. Moreover, statistics prove that precisely light industry and the output of consumer goods have suffered the biggest decline. In connection with this we set ourselves the tasks of not only stopping the rate of decline but also to turn these sectors into locomotives that would speed up the process of pulling the economy out of the crisis. World experience is proof of the expediency of this approach.

Here we must also include those sectors that used to be mentioned in government documents at best through a colon and which in terms of their economic efficiency now possess one of the most important places. I am referring to tourism, which, with relatively small expenditures, is capable of consistently and quickly providing considerable funds, including hard currency; new jobs; and gives an impulse to a range of related sectors, particularly with regard to the infrastructure. The inclusion of such spheres among the government's priorities obviously does not mean that attention to other sectors is being weakened, especially the basic and scientifically intensive sectors as well as machine and instrument building, metallurgy, the chemical industry, transport, and so on. The program mentions this in detail. In the agro-industrial sector of the economy, which generates one third of national income, the government will promote the creation of new socioeconomic relations and forms of management of the market type. At the center of this work are the interests of agricultural producers and the need to raise motivation to increase and efficiently use the productive potential. We regard land and economic reform and increasing support for private farming as an important precondition for the formation of a mixed economy in the agricultural sphere.

Cooperative processes, the organizational and technological integration of output, procurement, transport, and sales will continue to develop. To reduce and then in the future overcome dependancy on imports we will implement the national program of developing agricultural machine-building. The production of our own mineral fertilizers and pesticides will be speeded up.

A combination of free and regulated price formation will be the backbone of the price policy in the countryside. The system of state contracts for some produce required to satisfy the needs of the budgetary sphere will be preserved. The produce purchase and sale infrastructure will be improved along with the formation of specialized markets of grain, sugar, vegetable oil, etc. The specific features of the agrarian sector, as a seasonal branch with the slowed-up circulation of invested funds, will be taken into account, to improve financial and credit relations in the sector. Export potentials of the sector will be used more effectively.

Taking into account the special urgency of the problem, I would like to dwell on the progress of the formation of state grain resources and on measures taken by the government to accelerate the process. This year [1995], the bulk yield of grain crops in Ukraine is expected to be about 37.3 million tonnes; in other words, it is expected at the level of last year's harvest. As regards wheat, which is the main food crop, 16.4 million tonnes of wheat have been harvested; that is 26 percent more than last year [1994]. However, it is better to calculate the amount of grain that has already been stored. The government believes that the volume of grain produced, including wheat, makes it possible to form resources required to meet the needs of the population, set up a state reserve, and form a seed stock. As at 6 October, 4.7 million tonnes of grain were procured under the state contract. The government has allocated funds to pay for the 832,000 tonnes of grain supplied by farms for storage under the responsibility of the state. An additional reserve for grain procurement is being effected — purchases of grain for the money allocated by local authorities. Thus, over 300,000 tonnes of grain have been purchased. In line with the decision by the Cabinet of Ministers, the state will continue to purchase grain at the expense of redeeming the budget loan — as of 1 September, the debt stood at 20.6 trillion karbovantsi; and also at the expense of redeeming the loans issued by credit banks and at the expense of the procurement organizations' own circulating assets.

The government's resolution on measures to develop the market of agricultural produce in Ukraine should play a special role. Under the resolution, the procedure of introducing quotas and licenses is not applied to the produce sold through agricultural exchanges; the provision of rolling stock to transport this produce will be a priority. The state will take part in trading sessions on a par with other buyers. Besides, the procedure speeds up the process of obtaining funds by farms, which are required to finish autumn field work.

In present-day conditions, foreign economic activities acquire ever greater importance as a system-forming element. A whole number of difficulties and obstacles are still to be overcome in this sphere. The foreign trade and inter-state economic relations infrastructure, which ceased to exist with the disintegration of the USSR, is being set up virtually from scratch. The majority, if not all of our exporters, turned out unprepared to act independently on the world market with its strong competition.

The government has to fill these gaps fast, because only an increase in exports can somehow make up for the losses caused by the economic crisis, particularly the decline in output and the shrinking of the domestic market. This does not mean that exports will be given free rein. We will work to improve the product structure of our exports, moving away from the domination of raw materials to the sale of finished products and overcoming the barterization of foreign trade. Here we are already witnessing a positive trend. The measures envisaged to stimulate the process include the implementation of a long-term comprehensive program for providing support to exporters, due to be approved by the beginning of next year.

Another and no less important aspect of the work that is strategically aimed at improving the balance of payments is, we believe, the implementation of a flexible import policy. It should be pursued by means of economically justified tariff regulation and the introduction of specific, combined, and serious import duties. Ukraine as a sovereign state has every right to take these and other measures, which, incidentally, conform to universally accepted international standards.

In line with the task of pursuing a flexible import policy, work is in progress to step up the output of import-replacing products. The fact that, despite our poverty, hard currency is being wasted on noncritical imports — that is, things we can do without or produce ourselves — is peculiar not only from the point of complex economic calculations but even from the point of common sense.

The program presents in detail our view on the status quo, the tasks, and the prospects of development in the field of foreign economic relations, including those with the CIS and Russia. While we are in favor of building economic bridges with all countries, we believe that this process cannot remain a one-way route. The government will stand firmly and consistently in favor of symmetry and equality in foreign economic relations.

Another important section of the program has to do with institutional transformations, the ownership reform, the development of enterprise, and provisions for the manageability of the state sector of the economy. It envisages better organization of privatization processes, meaning that they should not develop on their own. The restructuring of ownership is aimed at finding an efficient owner, increasing competition among producers, and improving the feedback from production in general on this basis. In the first instance, the acceleration of privatization will affect enterprises that bear no strategic significance for the country's economic development. Their privatization is to be completed in the first half of next year. Here, the most burning problem is the privatization of unfinished construction projects, where enormous funds remain frozen. We are ready to hand over a number of such projects at a symbolic price to those who will be able to bring them to completion.

The privatization of medium-sized and large enterprises requires particular consideration. It is envisaged to proceed by sale of shares in open joint-stock companies established on the basis of these enterprises' assets. This will enable people to use their vouchers issued for the purpose of privatization, purchase of property, and in compensation. To protect state interests, the privatization of enterprises that are of special significance to economy and security will proceed according to individual schedules. By the end of this year, we will improve the system of control over the involvement of financial agents in the process of privatization, specifying legislative grounds for their establishment and operation. We will consider the possibility of extending the control powers of local authorities.

By the end of this year, Ukraine will have largely formed a mixed economic system, along with the necessary means of state influence on its operation. While we are focusing attention on the long-term problems of national importance, ours is not a bird's eye view of the subject, overlooking the everyday problems and concerns of individual sectors, work collectives, citizens, and their families. The logical structure of government activities also envisages urgent day-to-day measures required to ensure the normal functioning of the national economy as well as housing and utilities during the autumn and winter period; food provision; and the regular payment of wages, pensions, student grants, and cash benefits. The government regards the current state of economy and the actions planned as the basis for its policies in the humanitarian, science, and technology spheres. The tasks envisaged here, as in other areas, are strictly coordinated with the actual state resources available.

Belarus

President Lukashenka Addresses Trade Unionists

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[FBIS Transcribed Text] "Administration in the Republic of Belarus will be on toughening trend," President Alyaksandr Lukashenka said while speaking at the Second Congress of the FTUB [Federation of Belarusian Trade Unions]. He said, however, that he did not pretend to the role of the author of a dictatorship. Admitting the fact that in the country there are different branches of power — the Supreme Soviet, the Constitutional Court, the press, as the so called 'fourth power', and even trade unions to a certain degree (as five million people are behind them), Alyaksandr Lukashenka reminded those present that "all these branches of power are attributed to the trunk of one tree and people elected the President as this trunk." He also stressed that he did not want to turn the Federation of Trade Unions into a pro-President organisation. However, the consolidation of all forces of society is vitally necessary at the present time. Only under this condition the Republic can be lifted out of crisis levels.

In his speech the President touched on his last decrees and orders concerning the abolition of social privileges and pensions for working pensioners. The head of state tried to persuade the delegates of the Congress that "economic progress is impossible without overcoming social parasitic smugness," and that "we must not turn the state into a social security organisation." In addition, the President stressed, the initiators of these decrees were common people themselves who demanded that young people should be given an opportunity to find jobs. The President admitted that issuing these and other unpopular decrees he may have intruded upon others' spheres of activities. But nobody but he can take upon himself the solution of pressing problems. As for the social privileges, according to Alyaksandr Lukashenka, basically high-ranking bureaucrats, in particular, the MP's of the old parliament, enjoyed them. That is why after this presidential decree appeared, they started fighting against the President so zealously.

Mr. Lukashenka also dwelt on relationships between him and the Constitutional Court. He said that on the morning October 12 he had a conversation with the Constitutional Court Chairman during which they reached a mutual understanding. As for the activities of the Free Trade Union of Belarus, which were suspended by Decree No. 336, the President's position remains unwavering here: "I will not allow them to destabilize the situation in the country. 100 metro drivers must not disturb the 2-million city."

Speaking about problems concerning the financial sphere he said that at the present time three special commissions are inspecting the activities of the National Bank, the Savings Bank and commercial banks. The President promised that in the near future large sections of the public will be able to get acquainted with the results of their work. In conclusion the President shared his opinion about the Programme of the Economic Development of the Republic in the period until the year 2000, which is being worked out now. Mr. Lukashenka considers that such a programme should have ideological and political sections. "Why have we given up the state ideology?" the President asked. "Before January 1, 1996 the government plans to work out an integral and complex programme to outline ideas according to which, in my opinion, society must live," Mr. Lukashenka said. But he immediately added that the draft of this document will also appear in the press and be discussed by the general public.

Balloonists' Death Investigation Previewed

MM1310100495 Moscow KRASNAYA ZVEZDA
in Russian 12 Oct 95 p 3

[Report by Valeriy Kovalev followed by comment by Colonel Valentin Dudin, honored military navigator of the USSR and candidate of military sciences: "In the Sky Over Bereza"]

[FBIS Translated Text] Minsk — The state commission created by the Belarusian president to investigate the incident involving the air balloon as a result of which two U.S. sportsmen died near the city of Bereza did not need the time allotted (through 1 October) to answer the question of the reasons for the incident. KRASNAYA ZVEZDA has written about the incident several times. And now, speaking on national television recently, Alyaksandr Lukashenka has stated that the results of a medical examination of the remains of the dead pilots which will become known in about three weeks' time should clear up the matter completely. But he said that it is already clear that the incident was the result of bureaucratic confusion between Belarusian officials and the organizers of the international air balloon competitions. The military, the president said, "acted absolutely correctly" and they dealt with the air balloon as an ordinary violator of the border and should not incur any liability for the tragic consequences which ensued. In the very near future, the president noted, we shall inform the public of the final results of the investigation of this incident.

Let us add to what Alyaksandr Lukashenka has said that the order to destroy the balloon was given personally by Lieutenant General Valeriy Kostenko [name as transliterated], commander of the republic's air defense. The president and the commander in chief of the Belarusian armed forces were in Moldova at the time and he was not informed of the incident. [Kovalev report ends]

Specialist's Commentary

Since the tragedy involving the South Korean Boeing whose "deviation" from its route ended 1 September 1983 over Sakhalin, and Matthias Rust's landing in Red Square, the incident in the Belarusian sky leading to the death of two Americans in the car of the air balloon that was shot down is perhaps the first serious test of air sovereignty in the post-Soviet space.

The U.S. side's responses are understandable — the incident has been called an extremely serious occurrence. Our own mass media, grown skilled in journalists' snap investigations, did not remain aloof either, stating that back in May the "chief Belarusian border guard" had received a letter announcing the planned flight by foreign air balloons into the republic. I do not know how reliable this fact is but as a specialist I can assert that all airborne vehicles — from air balloons to ballistic missiles — cross the border not on the basis of letters giving advance notification but of applications made in the approved form and within the deadlines approved by international law. And it is not the border guards who should track airborne vehicles, but the air defense facilities. The long-suffering air defense forces who, if they shoot something down, are abused on all sides but if they do not shoot it down far even worse. After the Rust story a dozen generals were dismissed.

But let us return to the events in Belarus.

It will be annoying if the investigation into this incident takes place only under pressure from a "great power." Of course much will depend on the investigation commission. Will its members be able or to be more precise will they want to clarify the main issues: What applications were made by the organizers of the international air balloon competition, what safety measures did they develop and agree with the countries on the route, was there a radio on board the balloons, and so forth? The situation is aggravated by the fact that the balloon which was shot down was by no means the only one there. A whole squadron crossed Belarus' air border and the crews acted in different ways: Some landed after orders from other helicopters, some flew away across the border....

But the main question, of course, is whether it was necessary to open fire. The supporters of a negative reply assert that the balloon presented no danger. But what if an aircraft had collided with it, a large aircraft, even, carrying tourists from one of those civilized foreign countries? Who would have been the "scapegoat" then? International law has a clear reply to this question: He who controls the air space. And control, you will agree, implies interception. And not only for us. For instance, the Americans controlled the air in the region of their cruiser Vincennes which, moreover, was not off U.S. shores but thousands of miles away, in the Persian Gulf, and instantly shot down an Iranian airbus taking it for an enemy. More people died than on the South Korean airliner. And nothing happened. The Israelis shot down a lost Libyan airliner over Sinai when the aircraft was turning to correct an error. And it was shot down in broad daylight, when all the inscriptions on its chassis could be read.

So that such incidents are by no means our Slav "prerogative."

An in-depth and fundamental investigation of all the factors which led to the emergence and development of the situation and not just the dramatization of its denouement are very desirable. That this investigation will be international is obvious. But will it be independent?

And I should also like an official report to be published after the investigation and not just that the incident should be arbitrarily retold by an official anxious, as often happens, to remain anonymous.

Moldova

Snegur Opposes Merger With Romania, Joining NATO

LD1210202495 Moscow ITAR-TASS in English 1916 GMT 12 Oct 95

[By Gennadiy Temnenkhov]

[FBIS Transcribed Text] BONN, October 12 (Itar-Tass) — President of Moldova Mircea Snegur, who is currently on an official visit to Germany, spoke against Moldova becoming a part of Romania at a press conference held in Bonn.

"If we talk of economic and cultural integration between the two friendly states of Romania and Moldova, we are in favour of such an integration", he said, replying to an Itar-Tass query. "However, if it concerns a territorial union with Romania, then our position is clear — the present state in Europe and principles of security on the continent are sealed in official documents of the Organization for Security and Cooperation in Europe (OSCE) and the Paris Charter, and we are in favour of strict compliance to provisions of these documents", he said.

Moldova does not aspire for entering NATO, Mircea Snegur hinted. The country's constitution states that Moldavia cannot become member of military alliances and cannot permit the presence of foreign troops in its territory. At the same time, Moldova was one of the first to sign NATO's "partnership for peace" programme, since it regards that it can prove useful not only in the sphere of military, but also in economic and political spheres, the president said.

As far as NATO's eastward expansion plans are concerned, according to the Moldovan leader, "they do not harm security in Europe", however, they should be subjected to a careful multilateral analysis, seriously taking into consideration its "Russian component".

Dniester Leader Supports Yeltsin's Decree on CIS Policy

AU1310090995 Chisinau INFOTAG in English 1930 GMT 11 Oct 95

[FBIS Transcribed Text] Tiraspol, October 11 (INFOTAG) — Dniester leader Igor Smirnov has expressed full support of Yeltsin's Decree on Russia's strategic course with CIS states.

"The Dniester administration is satisfied with practically every provision in the document," Smirnov said over the Dniester radio on Tuesday night.

The Decree envisages a considerable toughening of the Russia's policy towards CIS states and a series of measures aimed at the countries' integration in all fields, including in political and military ones. In particular, the document envisages "strengthening of integration processes in the CIS, expanding the Customs Union, deeper cooperation in joint defending of state boundaries around the CIS perimeter, and active explanation to third countries that the CIS states are, first and foremost, the zone of Russia's interests.

The Decree meets Dniester's vital interests, for we have always struggled for our integration with Russia and other CIS states, in which we observe our own security," Smirnov said.

Analyzing Dniester's economic cooperation with Russia, the leader spoke for establishing joint ventures and selling shares of local enterprises to Russian partners. As Russia is the main market for most Dniester enterprises, they may become the main instrument in obtaining Russian credits so badly needed by Dniester, Smirnov said.

Tajikistan

Government Claims Rebels Accelerating Conflict

LD1210141595 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 11 Oct 95

[FBIS Translated Text] At a briefing for local and foreign correspondents on 11 October, Igor Sattarov, deputy of the Tajik Ministry of Foreign Affairs Information Department, announced the following statement of the Government of the Republic of Tajikistan:

On 10 October 1995 at 1720 one of the units belonging to the die-hard armed Tajik opposition group located in the Afghan village of Barchid fired on a vehicle of the Khorog border detachment. The vehicle was carrying soldiers of the Russian Federation Border Troop detachment, as well as civilians from the Republic of Tajikistan. According to preliminary information, five soldiers died and four others were wounded as a result of this action.

The Government of Tajikistan has made a strong protest to the authorities of the Islamic State of Afghanistan because this provocation was committed from that territory. This shameful action also shows the extent to which the Tajik opposition leaders respect the agreements they have signed with the Government of Tajikistan. According to these agreements, peaceful negotiations are recognized as the sole means to attain political aims. In this respect also, there is no doubt that the actions undertaken by the opposition are aimed at frustrating the crucial and decisive fifth round of inter-Tajik negotiations.

The leadership of Tajikistan, by expressing its protest against the violation of the agreements, once again states its resolve that peace and tranquillity should be established on the unfortunate Tajik land, and calls on the Tajik opposition leadership to chose a judicious path, to halt the senseless bloodshed, and to sit down at the negotiating table.

There have been increasingly frequent armed actions of late by the Tajik rebels on Tajik territory, according to the Ministry of Foreign Affairs employee. These have entailed the death of two soldiers and the serious wounding by gunshot of two other Russian soldiers on 28 September in Dushanbe; the hostage taking of four policemen — whose fate is unknown to this day — on 9 October in Tajikabad District; and provocative actions on the Tajik-Afghan border. These all show that the die-hard groups of the Tajik opposition, despite the agreement between the Government of Tajikistan and the leadership of the Tajik opposition, are increasingly descending down a path of armed terrorism and are departing far from their political opponents.

Russian Border Guard Commander Threatens Retaliation

LD1210152795 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 12 Oct 95

[FBIS Translated Text] After a certain lull the situation on the Tajik-Afghan border has sharply deteriorated again. This statement was made at the start of a news conference given yesterday by Lieutenant General Pavel Tarasenko, commander of the group of Border Troops of the Russian Federation in the Republic of Tajikistan, on the latest provocation by the Tajik armed opposition, which took place on 10 October and, according to the latest clarified data, resulted in the killing of seven Russian border guards.

Pavel Tarasenko drew the attention of the Tajik and foreign journalists present to reliable facts indicating the accumulation of large armed forces on the Afghan border in the Pyandzh and Shuroabad areas covered by the Moskovskiy border detachment and the Kalai-Khumb, Vanch, and Yazgulem areas under the Khorog border detachment.

As the commander announced, the investigation into the tragic incident, when fire was opened on a vehicle transporting foodstuffs from one observation point to another, shows that the militants had prepared for the attack beforehand, because small-arms and grenade-launcher fire was carried out simultaneously from 20 points in Afghanistan. It is already the second case since the beginning of the year when fire was opened against unarmed groups of border guards.

What happened illustrates clearly once again that there are some forces in the republic and beyond its borders who are obstructing in every possible way the establishment of peace in Tajikistan and whose interests are served by the maintenance of tension on the Tajik-Afghan border, the commander of the group of Russian Border Troops stated. He placed responsibility for the attack on armed groups of the irreconcilable armed Tajik opposition and stated emphatically that, if such acts are repeated, the Russian border guards will take appropriate measures. In future, if fire is opened on the border guards from Afghan territory, fire will also be opened from Tajik territory, Pavel Tarasenko stated. Afghan border commissioners have been informed of this.

Concluding the news conference, Lt. Gen. Tarasenko answered numerous questions from the journalists.

Uzbekistan

Ceremony Marks Aid Agreement Signed With Germany

LD1210170395 Tashkent Radio Tashkent Network in Russian 1300 GMT 12 Oct 95

[FBIS Translated Text] The signing ceremony of an intergovernmental agreement on financial cooperation between Uzbekistan and Germany took place today at the Uzbek Cabinet of Ministers.

The agreement was signed, for the Uzbek side, by Deputy Prime Minister Utkir Sultanov and, for the German side, by Dr. Karl Heinz Kuhna, ambassador extraordinary and plenipotentiary .

The agreement envisages that the German Government will allocate a preferential loan of 4.7 million German marks to Uzbekistan. This credit will be spent on improving Uzbekistan's civil aviation, providing agriculture with modern equipment and developing enterprises engaged in these areas.

Foreign Minister on Relations With Mideast

MM1210143495 London AL-SHARQ AL-AWSAT in Arabic 12 Oct 95 p 4

[Interview with Foreign Minister Abdulaziz Kamilov by Sawsan Abu-Husayn in Cairo; date not given]

[FBIS Translated Text] [Abu-Husayn] Some political circles have remarked on the expansion of Israel's activities in Asia along the lines of its known activities in the Horn of Africa. What stage has been reached as regards your relations with Israel?

[Kamilov] Our relations with Israel are primarily economic. We welcomed these relations in view of the historic changes taking place in the Middle East arena. We also welcomed having an Israeli embassy in Tashkent, in view of these changes and for the sake of our country's economic interests, in addition to what we see happening, namely Yasir 'Arafat shaking hands and making peace with both Israeli Premier Yitzhaq Rabin and Israeli Foreign Minister Shim'on Peres. Therefore, we welcome this historic step aimed at settling the Arab-Israeli conflict on the basis of international laws and principles and resolving an issue which has lasted more than 40 years. We are also willing to cooperate in the economic field with all world states and to strengthen this aspect with any state that wishes to do so.

[Abu-Husayn] Does this mean that the Republic of Uzbekistan is giving priority to the economy over politics?

[Kamilov] Yes. This aspect is at the heart of our foreign policy's political foundations for numerous reasons, in the first place to guarantee stability — which is a strategic aim — in order to establish a democratic state through a free-market policy, because we believe, not that democracy is the basis of a good economy, but rather, that the economy is the first safety valve to protect any state from threats and to propel it toward achieving security, stability, and development.

[Abu-Husayn] This principle contradicts, however, what is being reported about attempts by Iran to polarize the independent Islamic states of the former Soviet Union to form an Islamic power in Central Asia.

[Kamilov] First of all, Iran is a neighbor, in the same region, and a major state.... Second, one does not choose one's neighbors, because the presence of neighbors is in the hand of God. That is why it is in our interests to develop relations between Uzbekistan and Iran. With regard to rumors of the formation of an Islamic axis, observers can say what they want and are entitled to indulge in political fantasies. As far as we are concerned we believe that our foreign policy is based on our country's national interests first and foremost.

[Abu-Husayn] What about your relations with the Kingdom of Saudi Arabia?

[Kamilov] Our relations with Saudi Arabia are good and based on continued consultations. We have an embassy in Riyadh, and I intend to make an official visit next November, for further coordination with officials there over major issues of common interest, and we hope that in future we will have special relations. There are great prospects for cooperation in all fields, political, economic, cultural, and commercial.

[Abu-Husayn] Among the issues that you addressed in your meeting with Egyptian Foreign Minister 'Amr Musa was the concern over the Afghanistan problem. What threats does this problem pose to your country?

[Kamilov] First, there are great threats for the region as a whole due to the prevailing situation in Afghanistan, inherited from the first war. Consequently, we do not consider it Central Asia's problem only, but a problem which concerns the whole world. There is for example the issue of drugs, terrorism, arms, and many other issues. When I visited a European state [not identified], experts there said that the chemical analysis of the drugs in Europe indicate that 70 percent of them are Afghan-made [sina'ah afghaniyah]. This problem requires international efforts to combat it.

[Abu-Husayn] Another of the issues you discussed was how to iron out the obstacles facing the peace process. Will Uzbekistan use the leverage of its economic relations with Israel to that effect?

[Kamilov] We support the Arab position with regard to resolving the Palestinian issue. It is not possible for us to have a position different from the world's position on the necessity to establish peace and end the conflict. We started our independent foreign policy four years ago, and today we reaffirm our participation in international efforts to achieve a comprehensive and just peace based on international principles, that is peace for all.

[Abu-Husayn] During his visit to Cairo two years ago, President Islam Karimov met with the Arab League secretary general, with a view to boosting relations with this Arab regional organization. Are there any developments in this area?

[Kamilov] We call for cooperation with all Arab organizations in the Middle East and also all regional organizations. Soon, Uzbekistan will acquire membership of the Organization of the Islamic Conference as an observer, because of our Islamic and cultural heritage; we share many common denominators with the Arab states. At the same time, we want to improve our relations on the basis of mutual respect and we declare that our position and principles are against the control of any state by any other state by force or other means and that we are against violence, extremism, and terrorism.

[Abu-Husayn] What is your position regarding Iraq, and do you intend to establish relations with it?

[Kamilov] We do not have any relations with Iraq! That is all that I will say.

[Abu-Husayn] Do you have any interests in the Central Asia region in the near future?

[Kamilov] Yes. There are some positive developments in the work toward reorganizing conditions in this region and uniting the ranks to establish the foundations of an economic union between Kazakhstan, Uzbekistan, Kurdistan. We must take advantage of our open borders. We do not impose any customs tariffs or taxes, in order to encourage investment and boost economic and social life. We also attach great importance to the CIS states in our foreign policy, especially as Russia is a superpower and our relations with it lasted 70 years, but we prefer however our relations to be based on mutual respect, equality, and noninterference in internal affairs. We also wish to develop our relations with Europe and the United States.

Karimov Builds Himself New Summer, Winter Residences

MM1210102595 Moscow KOMSOMOLSKAYA PRAVDA in Russian 11 Oct 95 p 3

[Report by Aleksandr Ivanov under "Dacha" rubric: "Uzbek President Parks Himself Next to Puppets"]

[FBIS Translated Text] Tashkent — Uzbek President Islam Karimov's summer residence near Tashkent has been erected in an unprecedentedly short space of time. It is hard to believe that only six months ago there was no trace of this magnificent three-story residence. Work went on round the clock in five (!) shifts. Anybody who has seen this construction site will confirm that it resembled old movie shots of the construction of the Dnepr Hydroelectric Power Station. The interior was finished by Yugoslav builders.

The decorating materials and furniture were obtained from distant foreign countries. A few minor things were entrusted to local craftsmen. For example, the crystal stair balusters were made at Tashkent's "Mikond" plant.

As of today all that remains to be done at the estate is to apply the finishing touches: The pond with swans and a footbridge over it is not functioning at the moment. Some cages of the "domestic" zoo are also empty. For example, the cage of the spiral-horned goat. But this is not the builders' fault: It is not easy to catch such goats because there are only a handful of them left in the wild.

Meanwhile a plot for the president's winter residence has also been selected — a lovely children's park in downtown Tashkent. Another hitch emerged here — in the form of the adjacent puppet theater. It was built with the intention that after a show children would run around in the park and play on the swings and merry-go-rounds. Somebody advised the house builders to demolish the puppet theater completely. But then they thought better of it and erected a tall solid fence near the theater, cordoning off what is now the president's park. Evil tongues, however, are inclined to consider the fence a forgivable architectural excess at such an important facility.

Armenia

European Council Ready To Cooperate

*NC1210213795 Yerevan SNARK in English
1553 GMT 11 Oct 95*

[FBIS Transcribed Text] Yerevan, October 11 (SNARK)—Hans-Peter Fuhrer, Director of the European Council's Department on Political Issues, met with Armenia's Foreign Minister Vahan Papazyan. He told Papazyan that the European Council is ready to negotiate with Armenia on cooperation. Mr. Fuhrer also said that the European Council is interested in establishing peace in the region.

SNARK was informed by the Press Office of the Armenian Foreign Ministry that by Fuhrer's request, Papazyan touched upon such issues as some principle aspects of Armenia's internal policy, its relations with the CIS countries, as well as the European aspect of Armenian foreign policy.

Papazyan also discussed the negotiation process on political settlement of the Karabakh conflict within the framework of the OSCE Minsk group, explaining Armenia's position on the key issues to be discussed in the future round of negotiations.

Ministry Demands Extending ARF-Dashnaktsutyun Suspension

*NC1210215095 Yerevan NOYAN TAPAN in English
1349 12 Oct GMT 95*

[FBIS Transcribed Text] On October 9, Armenian Justice Ministry addressed Armenian Revolutionary Federation [ARF]-Dashnaktsutyun an official response in connection with September 13 appeal to President of Armenia, by which ARF-Dashnakstutyun requested to allow it to hold General Assembly of the Party in Armenia.

In an interview to NT [expansion unknown] journalist Deputy Justice Minister Tigran Petrosyan said that during six months after the January 13 Supreme Court's resolution on suspension of the activities of ARF-Dashnaktsutyun, the Party has not eliminated violations, which served as a basis for passing such a resolution. According to him, the Party has violated Article 7 of the law on public political organizations.

Deputy Justice Minister reminded that taking into account the aforementioned facts and proceeding from Article 7 of the law on public political organizations the Armenian Ministry of Justice passed a resolution, demanding expansion [extension] of the suspension term for ARF-Dashnaktsutyun.

Petrosyan also reported that in compliance with Article 5 (part II) of the Armenian Constitution, all state establishments and officials must act within the framework of the law in effect. According to the Armenian legislation, Ministry of Justice or any other state establishment or any official are not entitled to decide whether to allow or prohibit party to hold General Assembly. Deputy Justice Minister added that from available documents of ARF-Dashnaktsutyun it is clear that foreigners-members of the Party will also participate in the General Assembly. Consequently, in case of convocation of the General Assembly of ARF-Dashnaktsutyun Article 1 of the law on public political organizations and Article 25 (part III) of the law on legal status of foreign citizens in Armenia will be violated.

Georgia

Shevardnadze Says Nation Putting End to Terror

*MK1210133595 Moscow NEZAVISIMAYA GAZETA
in Russian 7 Oct 95 p 3*

[Interview with President Eduard Shevardnadze by Nodar Broladze: "Eduard Shevardnadze: 'Georgia Is Saying Farewell to Terrorism.' Communism Is A Cesspool of Conservatism and Crime" — place and date not given]

[FBIS Translated Text] [Broladze] Eduard Amvrosiyevich, NEZAVISIMAYA GAZETA, which has finally resumed publishing, wishes to thank you for your readiness to answer questions that interest our readers once again....

[Shevardnadze] Thank you. I have always treated this newspaper with respect not only for its bold and independent judgments, but also — which, to my mind, is most important of all — for the accuracy and exactness of assessments that do not mislead the reader and provide him with correct information about events taking place in our hard days so as to steer people's attitudes and views to the choice of democratic principles. In this connection, I can recall August 1991, October 1993.... I can recall acrimonious critical publications, including against the democratic forces as well. This is, however, natural in our conditions: A surgeon, too, involuntarily causes pain to the patient, but without this he cannot cure him and bring him back to life. Therefore, I wish to congratulate NEZAVISIMAYA [GAZETA] on its salvation and preservation, and I am counting on having, as diplomats say, our mutually beneficial cooperation continue....

[Broladze] It is not by chance that we have come to you again precisely at this moment. The point is that when the Constitution of Georgia was adopted there was a general feeling that political life in the country started to regain the long-awaited harmony. And then, all of a sudden — a terrorist act, an attempt on the head of state's life! What happened?

[Shevardnadze] Do you know what the difference is between normal, benevolent people and their opposites? A normal person seeks order as a natural state. He detests chaos — an accomplice of evil. Just as night shrouds crime, a state of permanent anarchy, bloodshed, and conflicts, on a varying scale, provide a very convenient backdrop and safe cover for social outrages, mean intrigues, robberies, and glaring and disgusting insinuations, the logic of which can never be understood by a civilized person. Please excuse me, but I would like to allude to a metaphor, although probably a rather harsh one. I have in mind the promiscuity of a pig. It feels comfortable when it finds the dirtiest puddle.

[Broladze] This comparison is not only vivid — it is a rather convincing one. The people who attempted to remove you could not imagine themselves thriving under conditions of restored public order. What, however, were they threatened by?

[Shevardnadze] I recently signed an edict abolishing the so-called Rescue Corps, "Mkhedrioni." This put an end to an era of legalized gangsterism, which started several years ago. Some people wanted to legitimize this organization and tried to force such a decision on me, so as to commit large-scale crimes using "state interests and needs" as a shield. A mafia of a completely new type was molded in Georgia, which brought together people with completely dissimilar philosophies — former communist apparatchiks; leaders of the criminal world; the new military, both high- and low-ranking; and some others. They found a common language, based on an immoral aspiration to profiteer from a unique opportunity — to make fortunes off the country's hardships and to use any chance for social looting. Well indeed, happily seizing any opportunity, they have been shamelessly picking these "apples of death" with impunity for several years. "Mkhedrioni" (although it should be admitted that many members of this paramilitary organization honestly fulfilled their duty by defending the territorial integrity of the country) has become a hideout for criminals — including those who can knot a neat tie and talk big about democracy and dictatorship, at the same time encouraging gangsterism in its most undisguised form. I wish to inquire: Why should Jaba Ioseliani — whom I, alas, once entrusted to head the Georgian delegation at the talks with the Abkhazian side — suddenly need to arrange a sinister hiding place in his private office, located within the premises occupied by the government and the head of state's staff? Why should he keep there machine guns, thousands of bullets, electric-shock torture devices, and hundreds of ampoules of narcotic substances? After all, this is no arms depot or hospital! And why did he oppose the idea of the federal structure of Georgia so ardently? Was it because this could prevent his "protigis" from indulging in large-scale racketeering? I am sure he would not have protested had I appointed his people as my envoys in the provinces!

When the Constitution, envisioning a strong presidential power, was approved and passed by the parliament — with the support of even some opposition forces that did not refuse our offer to cooperate — the deputies were on their feet applauding this victory. A feeling of joy and relief swept everyone who did not fear his past or future. The only people not applauding were either our orthodox political opponents, who voted "against" out of conviction but who are not involved in any state or other crimes, or those who have a trail of criminal misdeeds behind them. These are not peacocks, who take pride in the marvelous feathers of their tails. Those tails cannot be exposed, but it is hard to hide them, especially if the "tail" is rather long. Therefore, these pseudo-politicians took the adoption of the Constitution as a great threat. They came to realize that the trap had started to unload its spring and was about to shut. In addition, it turned out that the good-for-nothing "professionals" from the security service, who missed the mark on 29 August — those on whom the state had been counting for the past three years — were the main protectors of the mafia and an integral part of it.

[Broladze] It turns out that even you made a mistake, despite your experience....

[Shevardnadze] After I came back from Moscow and lent a helping hand to my people, I was sincere in my readiness to be useful to people, to bring relief, and to restore the good reputation of the country. Everyone knows what the legacy was that I received. Possibly, however, I experienced good feelings toward some people who seemed loyal and was unwatchful in my trust in them.

[Broladze] Igor Giorgadze, former head of the Georgian Security Service, declared a political and psychological war against you, blaming you for very serious things. How do you feel about this, and why, in your opinion, despite the sanction given by Georgia's General Prosecutor, does Giorgadze feel if not wonderful, then rather at ease in Moscow?

[Shevardnadze] Let us start with the accusations. It seems that I personally own two oil wells in Kazakhstan. I can probably feel rather offended: Why only two? Does that implies I am inept at business? Joking apart, however, it is very easy to find out what I actually own, and such a primitive and straightforward method of discreditation only shows that the criminal is in agony and is clutching at straws. Igor Panteleymonovich [Giorgadze], better than anyone else, realizes that he is doomed and is aware of how much evil was done by him.

He will go down in the annals of Georgian history as the spiritual successor to Cain, the first murderer in the history of mankind. Therefore, he is trying to break out of the legal trap in which he has found himself through his own fault. If he is alleging that Shevardnadze has several other passions such as, say, selling weapons to Iran or regularly extracting millions of dollars from the International Monetary Fund's safes to somehow pull through the election, then, accordingly, he expects to make a fairly strong impression — strong enough for the Lord and justice to forgive all his wrongdoings right away and then to deal immediately with Shevardnadze. If I am found guilty — this I declare for the first time on the pages of NEZAVISIMAYA GAZETA — I am prepared to be held responsible by the people. This is neither acting, nor posing, I assure you. It is a chance to prove once again my resoluteness to participate in the democratic transformation to the end, for principled, not personal considerations, or, let's say, not for reasons of political egoism. I am prepared for this. As for Igor Giorgadze, a terrorist on an international scale and, unquestionably, an agent for a bloodthirsty, I would say, ideology, a dismal end awaits him in any case. This depends not on whether corpus delicti is found in Shevardnadze's actions. Because when one and the same person has staged at least five attempts on people's lives, of which three have ended in homicide, and while this person, being the security service head of the whole state, acts, though crudely and primitively, sending virtually the same gang of assassins for different people, but at the same time, with some mystical and demoniac ruthlessness, all of these cannot remain a concern of one single country. The prosecutor general's warrant to arrest an out-and-out criminal — no less a coward than he is a criminal (at least, in his appearance on Russian television he looked frightened and pitiful) — as well as the list of his crimes, proven by investigation and indisputable, cry for justice and common sense: The assassin and traitor Giorgadze must be delivered up to justice. I am sure that the Russian authorities will never help a criminal, especially one such as this, escape punishment. To the same degree, however, I am not sure that his former colleagues in the KGB of the USSR will deny him their assistance. With a still greater degree of certainty, I can maintain that Russian politicians of a communist persuasion, for whom Giorgadze and his like used to be pivotal figures in launching destabilization trends in Georgia, will go out of their way to see to it that no court in the world passes sentence on Giorgadze. The obscene political storerooms of the Bolshevist associations hold too many things that can arouse the indignation of the world public.

According to the information at my disposal, another "secret service man," Timur Khacheshvili — he was the deputy head of the security service — when interrogated, let slip the names of a number of Russian politicians involved in organizing the 29 August terrorist act and other crimes.

The last of the exposed crimes of Giorgadze is no less blasphemous and cynical than the others: On board the plane by which Generals Giya Karkarashvili and Paata Datuashvili were going to Moscow, a bomb was planted. Had this not been revealed in time, all of the people on board would have been dead. After that Giorgadze decided to do away with the two directly in Moscow. Datuashvili was killed, and Karkarashvili was crippled. That was revenge for the fact that, a year and a half before, then-Defense Minister Karkarashvili told him the truth: Giorgadze had clearly evaded combat engagements on the territory of Abkhazia, and it was he who withdrew his 450-strong detachment from combat action, leading it through the Svanetian Mountains at a time when Sukhumi was bleeding under a fearsome barrage of hundreds of guns. Thus, Karkarashvili's discontent is easy to understand.

I do not find it possible to say anything concrete about the citizens of other states, but regarding Giorgadze, and the problem on the whole, the point is as follows. As I see it, the proponents of conservative political views, positions, conceptions, and doctrines that are dying off, and which once seemed absurd, are still alive and kicking in all the provinces and countries of the former CIS. It is only by tradition that Moscow remains a magnet for these forces, while Russian communists and socialists have kept the ranks of the leading and guiding force [the Communist Party]. Accordingly, they still remain the main protectors of those who share their views and directions.

I believe that an escape plan for "their people" to be guarded safely in the event the plot was frustrated had been worked out in advance.

[Broladze] You are being accused of doing away with your rivals, and carrying out a wide-ranging purge under the banner of cracking down on the criminal mafia clans in order to secure yourself a favorable alignment of forces in the elections...

[Shevardnadze] Among all those considered to be my rivals, only Jaba Ioseliani has withdrawn his candidature, and he was quick to do it in due time in the wake of a series of incontrovertible "Mkhedrioni" disclosures. As far as the purge is concerned, I admit it, if you please, but let me put it right. The seeds sown will not grow if the field has not been weeded. It is time for cleansing. Georgia will emerge cleansed of what it has endured through these five or six horrible years. However, a catharsis is only possible on condition that all moral rules are strictly observed. Therefore, it is not an electoral alignment of forces, favorable solely for me, that I am seeking, but a situation whereby blackmail, threats, armed intimidation, and the use of huge sums in foreign currency for bribery, will be absolutely out of the question. Georgia is parting from terrorism. Forever, I hope. At least, this I wish to believe and this I wish to work for as zealously as possible.

[Broladze] You took the initiative in appointing Giorgadze as head of the security service. Did you trust him?

[Shevardnadze] I had no reasons for distrust back then. However, a year or a year and a half passed and I began to have my doubts. After the assassination of Georgiy Chanturiya, chairman of the National Democratic Party, a person with an undoubtedly brilliant political future, who had been elected leader of the Eastern Europe International a day before the attack, some members of the National Democratic Party's board, and, above all, Deputy Irina Sarishvili, Chanturiya's widow, openly accused me of conniving with the assassins and demanded that Igor Giorgadze be removed from his post for his inability to expose the terrorist acts. How could anyone know at that time that it was not a question of "non-exposure," but of staging an assassination, and later on, a series of assassinations. It is noteworthy, though, that the National Democrats also called for the dismissal of Internal Affairs Minister Shota Kviraya. In actual fact, however, it was under Kviraya's leadership that the Internal Affairs Ministry not only was firmly established, but gave decisive battle to the mafia. The offensive continues.

Shevardnadze Issues Directive Abolishing Rescue Corps

AU1210154795 Tbilisi SVOBODNAYA GRUZIYA in Russian 5 Oct 95 p 1

["Directive of the Georgian Head of State on the Republic of Georgia Rescue Corps"]

[FBIS Translated Text] As one of the components of the system of state administration, the Republic of Georgia Rescue Corps was specially created in an extreme situation to render help to the population and maintain public order. It united, first and foremost, young people who had taken an active part in fighting for Georgia's territorial integrity. Many of them deservedly received state decorations for their bravery. The nation and the country will never forget but will remember with gratitude those members of the Mkhedrioni [Horsemen — former paramilitary organization] who laid down their lives in the struggle for the territorial integrity of the motherland. Everything will be done to help those who were maimed in battle and also while carrying out their duties during natural disasters and in other emergency situations.

At the same time, it is necessary to point out that people with a dubious reputation joined the Rescue Corps, people who not only changed the aims of this association as laid down in its charter but also, as competent bodies have established, finally transformed the Rescue Corps into a haven for representatives of the criminal world. Many members and heads of the Rescue Corps, with the help of various clans and mafia groups created with their assistance and patronage, have committed illegal acts, involving the use of weapons, violence, and blackmail. Many members of the Rescue Corps have been convicted for committing various serious crimes.

Some of the leaders of the Rescue Corps, who are now under arrest, has been incriminated in the planning and execution of terrorist acts. All this is hindering the struggle for the establishment of strict public order in the republic and is furthering the antistate and antisocial activities of destructive forces.

Proceeding from this:

1. The Republic of Georgia Rescue Corps is to be abolished.

2. In connection with the abolition of the Republic of Georgia Rescue Corps, the Republic of Georgia Cabinet of Ministers is to create a liquidation commission.

3. The liquidation commission is entrusted with making final payments to senior officials in the central apparatus of the Rescue Corps and subunits subordinate to it in accordance with the procedure provided for in Republic of Georgia legislation.

4. The liquidation commission is to complete its work within one month of its creation.

[Signed] E. Shevardnadze

Estonia

Meri Cancels Malta Trip Due To 'Tapes Scandal'

WS1210115795 Tallinn BNS in English 1300 GMT 11 Oct 95

[FBIS Transcribed Text] Tallinn, Oct 11, BNS — Estonian President Lennart Meri on Wednesday [11 October] said he was canceling his visit to Malta over the so-called tapes scandal, which has led to the sacking of the interior minister and to calls from leading parties for resignation of the government.

Meri was scheduled to fly to Malta on Friday for the annual Crans Montana Forum of politicians and business leaders.

The visit was canceled "because of serious problems in the interior policy," the presidential press office said.

Foreign Minister on 'Constructive' Meeting With Kozyrev

LD1210204695 Moscow INTERFAX in English 1712 GMT 12 Oct 95

[FBIS Transcribed Text] TALLINN, Oct 12 (Interfax) — Foreign Minister Riivo Sinijarv has described as "constructive" the meeting in Helsinki Wednesday with his Russian counterpart Andrey Kozyrev.

Sinijarv told reporters in Tallinn Thursday that he had informed Kozyrev about preparations in the Estonian parliament to ratify agreements on pulling out Russian troops and on social guarantees to Russian military pensioners living in Estonia.

The documents signed in Moscow on July 26, 1994, were later ratified by the Russian Duma and the Federation Council.

Sinijarv believes that "a certain degree of progress has been achieved" in normalizing the Estonian-Russian relations: the agreements on customs cooperation and border representatives, and the protocol on cooperation between the two countries' foreign ministries have been signed.

The two sides also reached understanding on another meeting of teams of experts to draft an agreement on the Russian-Estonian border, which is to be held on October 23-24 on Russian territory. The venue has not yet been set.

Sinijarv visited Finland where he discussed bilateral cooperations with Finnish Foreign Minister Tarja Halonen. Kozyrev stayed in Finland on October 10-11 for an official visit.

Defense Minister Comments on NATO Membership

LD1210210995 Tallinn Reklaamitelevisioon Network in Estonian 1830 GMT 12 Oct 95

[FBIS Translated Text] NATO Secretary General Willy Claes stated that there is no longer any doubt about Estonia joining NATO. Claes said that talks with NATO may begin immediately.

Besides the subject of joining NATO, aid to Estonia for setting up a control system for monitoring airspace was discussed. According to Defense Minister Andrus Oovel, NATO will support Estonia on the issue of tuning the radars, on issues of funding, and training staff.

[Begin Oovel recording] Proceeding from the fact that one of the principles of the make-up of Estonian defense forces is not the Estonian defense forces' capability to break and destroy but first and foremost to help and save, our very first meeting was with General Herbert van Foreest, the NATO's director assistant secretary general for infrastructure, logistics and for civil emergency planning. [end recording]

The present moment's preparedness was also under discussion. During a meeting with the Belgian Defense Minister Jean-Paul Poncelet possibilities were discussed for sending our officers for training to Belgium and the admission of Estonian observers into the Belgian peacekeeping mission. General George Joulwan, Supreme Allied Commander Europe, emphasized in particular that joining the Partnership for Peace program does not ensure full NATO membership. It is, however, an opportunity to develop a partner country's cooperation ability.

[Begin Oovel recording] Whatever the security situation, we will always be able to approach the North Atlantic Council as a partner country, as a country which wants to proceed along the path leading to full NATO membership. [end recording]

A new NATO peacekeeping mission will be undertaken in the former Yugoslavia within the next month. In November, U.S. Secretary of Defense William Perry and NATO Secretary General Willy Claes will be arriving in Estonia for familiarization.

Latvia

Government Approves Application To Join EU

LD1310122295 Riga Radio Riga Network in Latvian 1200 GMT 13 Oct 95

[FBIS Translated Text] An extraordinary session of the Latvian Government today unanimously approved Latvia's application to join the European Union. The application is being submitted to the Council of the European Union, which in turn will approve it for review by the Commission of the European Union. On the basis of the viewpoint of this European Commission, the EU will decide on commencing talks on joining it between Latvia and the European Union. The length of the talks will depend on Latvia's degree of readiness for acceptance by the EU.

Ministers Terms Russian NATO Pressure 'Blackmail'

LD1210150395 Moscow INTERFAX in English 1040 GMT 12 Oct 95

[FBIS Transcribed Text] RIGA, Oct 12 (INTERFAX) — Latvian Foreign Minister Valdis Birkavs believes that Russia's attempts to exert pressure on the Baltic states not to join NATO, verges on interference in their internal affairs and can be likened to international blackmail.

Such attempts are absolutely hopeless, he told Interfax in comments on the information published by the Komsomolskaya Pravda in late September to the effect that Russia's General Staff is working out a new defense doctrine in accordance with which Russian armed forces will invade Estonia, Latvia and Lithuania, if they join NATO.

Russia's behavior will even strengthen Latvia's resolve to be integrated into NATO, Birkavs pointed out.

Unfortunately one has to admit that Russia does not wish to understand NATO's essence as a union of democratic nations and states following the road of democracy, like Russia itself, Birkavs said.

Integration into NATO is a top priority in Latvia's foreign policy concept adopted by the parliament and government last March, he noted.

Ulmanis Postpones 3-6 Nov Visit to Krasnoyarsk

LD1210151795 Moscow ITAR-TASS in English 1455 GMT 12 Oct 95

[BY Galina Kuchina]

[FBIS Transcribed Text] Riga, October 12 (ITAR-TASS) — Latvian President Guntis Ulmanis postpones a trips to the Krasnoyarsk territory planned for November 3-6, ITAR-TASS learnt from the president's office on Thursday. Guntis Ulmanis intended to go to the Krasnoyarsk territory to meet Latvians residing in Siberia and to open a consulate in Krasnoyarsk to facilitate the procedure for Latvians getting visas for trips to Latvia. The president changed his plans because of the political situation in the country resulting from the recent parliamentary elections. The president also cancelled plans of visiting and addessing a UNESCO conference in Paris.

However, Ulmanis' planned visit to Sweden to begin on October 16 is of special importance in the present politicial situation, Ulmanis believes. He associates this trip with forming Latvia's image. "If I gave up this visit it would be regarded as a confirmation that things are out of order in Latvia," the president said.

Ulmanis is expected to speak on the forming of the future cabinet on the local radio on Friday.

Foreign Minister Assesses Visit to U.S., UN

LD1210171695 Riga Radio Riga Network in Latvian 1000 GMT 12 Oct 95

[FBIS Translated Excerpt] Foreign Minister Valdis Birkavs returned from a week-long visit to the United States on 11 October. The Latvian foreign minister met several U.S. government officials and made a speech at the United Nations Organization. An hour ago, Birkavs was telling journalists about his visit.

[Begin Birkavs recording] We have submitted our aide-memoire on Russia's recent activities in connection with NATO enlargement. We believe that if the situation continues to become more complicated, Latvia will propose the start of consultations envisaged in Article 8 of the Partnership for Peace agreement. The agreement gives us the right to start consultations if Latvia's security, sovereignty, or territorial integrity are threatened. The United States believes — in the person of Strobe Talbott — that Latvia has a correct understanding of the Russian Federation's attitude. It is very important to note that Russia's complaints, anxiety, and criticism are Russia's sovereign rights, but Russia's threats to the international community are not its rights, and it is necessary to react to them. Practically, the elections that are approaching in the Russian Federation are a process that burdens NATO expansion, but NATO expansion will, nevertheless, continue.

Therefore, we are expecting a range of very important visits to Latvia — which will be prepared: first of all, the arrival of NATO experts; second, on the 18th, I will return earlier from a visit to Sweden to meet (von Novski), deputy secretary general of NATO; then as planned [word indistinct] NATO Secretary General Willy Claes and U.S. Secretary of Defense Perry will arrive.

With the Singaporean foreign minister, the main thing was that we asked Singapore's support on our issues of payments to the United Nations, Latvia's candidacy at [word indistinct] elections, and we discussed our bilateral relations, also expressing gratitude for — you remember — Singaporean Ambassador (Tommy Scott) played a very important role here when we were working on the withdrawal of Russian Armed Forces. [passage omitted] [end recording]

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